FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 29,268 Saturday March 10 1984

SAVINGS AND INVESTMENTS p11
A look at "a new generation of unit trusts"

RACING

Champions at Cheltenham p17

FEATURES
BRITAIN'S BUDGET
Mr. Lawson's balancing act p18
A profile of the Hawley Group p19

MOTORING
AUDI 200 TURBO

p13
High tech, high speed

TRAVEL
NEW YORK

Corners of the Big Apple p13

WORLD NEWS

Trident cost may go up by £1.5bn

Revised estimates of the cost of the Trident nuclear submarine programme are likely to reveal that the total cost has gone up from £7bn to at least £8.5bn.

The new figure is expected to be disclosed in the House of Commons immediately before the Budget on Tuesday in response to a question from a Labour MP, and will provide ammunition for critics and defenders of the project. Page 4

Greek envoy to stay

Greece reversed its decision to recall its ambassador from Ankara after hearing satisfactory explanations for an incident in which it had earlier claimed a Turkish naval vessel fired on a Greek destroyer in the Aegean. Earlier stories, Page 2

Ireland on poison alert

An Ulster Loyalist paramilitary group told Irish chain store group Dunne's Stores that it would poison food on its supermarkets' shelves unless a six-figure ransom was paid. Police are questioning seven men.

Snowstorms lash U.S.

Late winter snowstorms hit north-eastern parts of the U.S. with high winds and up to 1 ft of snow. New York's Kennedy and La Guardia airports were closed for several hours.

BBC seeks injunction

The BBC said it would seek an injunction preventing the National Union of Journalists from instructing its members not to work on the Budget day programme due to be presented by David Dimbleby. Page 4

OFT in dentures probe

Dentists' monopoly over the provision of false teeth is being investigated by the Office of Fair Trading as part of the Government's attempt to increase competition in the professions.

Boxing reform 'unlikely'

Sports minister Neil Macfarlane said government action over the British Medical Association's report on brain damage to boxers was unlikely because the sport had adequate safeguards.

Soviet arms for India

The Soviet Union is to provide India with advanced jet fighters, sophisticated army equipment and electronic surveillance systems for its ships. Back Page

Polish author arrested

Polish authorities arrested Marek Nowakowski, a well-known writer identified with the Solidarity movement. Page 2

Monday Club man quits

John Pinninger resigned as political adviser to the right-wing Monday Club, saying it was harbouring racists and extremists.

Holst's daughter dies

Imogen Holst, conductor/composer daughter of the late Gustav Holst, died in her Suffolk home aged 77.

Briefly

Pop star Sting was divorced by his actress wife Frances Tomelty.

England lost their first one-day international against Pakistan by six wickets.

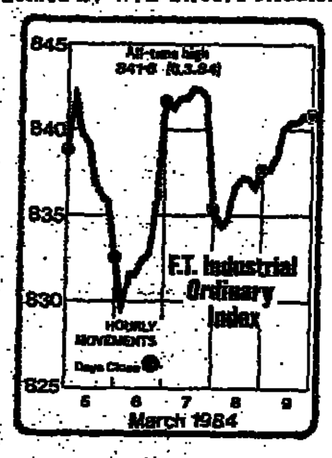
BUSINESS SUMMARY

CSI reform plan nears completion

COUNCIL for the Securities Industry will complete on Tuesday proposals for major structural reform, as part of its bid to win a leading role in the regulation of London's *financial* community.

The CSI is attempting to become the main investor protection body, following Prof Jim Gower's recommendations for improved safeguards. Back Page

EQUITIES ended the pre-Budget trading account firmly, helped by Wall Street's steadier



overnight tone. The FT Industrial Ordinary index closed 3.2 up at 840.9, only 0.7 short of Tuesday's record. Page 26

BRAZIL achieved a record trade surplus of $856m (£578m) last month, setting it on its way towards this year's target of a $9bn visible goods surplus. Page 2

OPEC'S market monitoring committee is reasonably confident that collective output can be restrained sufficiently this spring to defend its year-old price structure. Page 2

BRITISH GAS reached agreement with a group of oil companies on the £160m sale of its stake in the Wytch Farm oilfield in Dorset, but demanded Government assurances that the deal will not be challengeable on legal grounds. Page 3

LIFFE, the London International Financial Futures Exchange, registered its two-millionth contract yesterday. Daily business has risen to an average 10,500 contracts in the run-up to the Budget, against 7,000 in January and February.

DAEWOO, South Korean industrial group, cancelled plans at the last minute to acquire from the receivers the assets and business of Hymac, the Welsh excavator company. Page 3

HEINEKEN, Dutch brewing group, raised net profits by 29.5 per cent to Fl 198m (£46.5m) last year. Page 25

SANYO ELECTRIC, Japanese consumer electronics manufacturer, lifted after-tax group profits by 17.8 per cent last year to Y33.9bn (£103.5m), helped by improved margins on the booming VCR market. Page 25

WARDLEY, wholly owned merchant banking subsidiary of the Hongkong and Shanghai Banking Corporation, reported pre-tax profits for last year more than halved at HK$74.98m (£6.6m). Page 25

BREVILLE EUROPE, electrical appliance maker and distributor, reported a fall in pre-tax profits from £1.54m to £11,000 in the six months to December 31, on sales down from £10.12m to £2.6m. Page 29

Miners strike action will be patchy

BY DAVID BRINDLE AND JOHN LLOYD

*STRIKE ACTION by mine*workers on Monday is now certain *to be patchy and confused.* Some mineworkers show a fierce *determination to stop the* National Coal Board's closure *programme in its tracks, while* others are clearly hostile to industrial *action without* a national ballot.

The South Wales, Durham and Kent areas of the National *Union of Mineworkers* are to join Yorkshire and Scotland in *calling their members* out from Monday, though the South *Wales pit delegates' meeting,* which took the decision after *lengthy* debate, will "recommend," rather than command, a cessation of work.

THE POSITION AREA BY AREA

Area	Members	
Yorks	56,000	Strike called
Notts	32,000	Secret ballot, strike recommended
S. Wales	21,000	Pithead meetings, strike recommended
Durham	13,000	Strike called
Midlands	12,000	Secret ballot proposed
Scotland	12,000	Strike called
N. Derbys	10,000	Delegate meeting Monday
Lancs	7,300	Delegate meeting today
Northumberland	5,000	Executive meeting today
S. Derbys	3,000	Executive meeting today
Leics	2,500	Secret ballot
Kent	2,200	Strike called
N. Wales	1,200	Secret ballot
Cumberland	700	Pithead meeting today

White-collar section (16,000 members) to "follow local initiatives." Other groups (about 19,600) expected to decided this weekend. They *are: cokemen, Midlands power group, Scottish enginemen,* Durham enginemen and Durham and Northumberland mechanics.

In Durham the executive split 5-5 on strike action, and decided for it on the casting vote of Mr Harold Mitchell, the area president.

At the Bilston Hall and Polkemmet pits in Scotland there was evidence of strong reluctance to strike, while radio and television interviews with mineworkers up and down the country found a large number doubtful of the value of striking.

The focus of attention on Monday is likely to be Nottinghamshire, second largest field in the country after Yorkshire, and with a right-wing leadership. The leadership will recommend to a delegate meeting today that no action be taken until an area ballot is held at the end of next week.

The area could be the target of picketing by men from the neighbouring Yorkshire field, though Mr Jack Taylor, the Yorkshire president called on his members to remain in their own areas.

The Nottinghamshire miners appear reluctant to strike, but may be as reluctant to cross picket lines thrown up by their colleagues from Yorkshire.

More miners in Yorkshire yesterday joined those, largely in South Yorkshire, who struck earlier in the week over two proposed pit closures.

The traditionally independent Barnsley winders voted overwhelmingly for a national ballot, while miners at North Yorkshire's Glasshoughton pit accepted the strike call only after registering their "dis-

Continued on Back Page

Revenue to move carefully on tax avoidance ruling

BY CLIVE WOLMAN

THE Inland Revenue is to apply "with care and responsibility" the principles of a House of Lords judgment last month, which struck down tax avoidance devices.

Individual tax inspectors wishing to rely on the principles must seek leave from head office, Mr John Isaac, Inland Revenue deputy chairman, said yesterday. Legislation may also be introduced to remove one of the most serious individual consequences for businesses of the judgment.

Mr Isaac offered these scraps of comfort to an Institute of Fiscal Studies conference yesterday following demands from tax lawyers and accountants, fearful of the threats to their clients and practices lurking in the court judgment. The packed conference in London was called to discuss February's Lords ruling that the courts could disregard any transactions or steps undertaken purely to avoid tax.

"If the Revenue mean to press this case to the hilt, commercial life in this country will come to a stop," predicted one of the speakers, Mr John Avery Jones, of solicitors Speechley Bircham.

Others protested at the wide-ranging discretion which, they claimed, had been given in defiance of constitutional principles to the "bureaucracy in Somerset House," the Inland Revenue headquarters. "It is not a long journey from Somerset House to the Tower of London," suggested Mr Stephen Oliver, QC.

Mr John Isaac and his co-deputy chairman of the board of the Inland Revenue sat passively at the back of the conference hall. But towards the end of the conference, their presence was revealed by Mr John Chown, the chairman, who drew them out with demands for a statement.

Mr Isaac said tax inspectors had been told that although the case was "an important clarification" of the law, "it must be applied with care and responsibility."

Inspectors around the country had been instructed to consult with head office before seeking to apply the ruling against a taxpayer.

Mr Isaac also singled out for comment one consequence of the ruling which had been widely criticised. Many feared that companies would no longer be able to avoid the payment of capital gains tax on the sale of an asset by transferring it first into a subsidiary with capital losses.

The Government was holding discussions with tax practitioners with a view to introducing legislation to remove anomalies, Mr Isaac said.

His statement did not assuage many at the conference. Whatever the initial practice, eventually discretion would have to be granted by head office to the individual tax inspectors, Mr Oliver said.

Lloyds boosts profits by 27%

BY DAVID LASCELLES

LLOYDS BANK, the smallest *of the big four clearers in terms* of assets, yesterday announced *the largest jump of the four* in 1983 profits—up 27 per cent to £419m. The board is recommending a one-for-five scrip issue.

CLEARING BANK RESULTS

	Pre-tax profits 1983 (£m)	Change from 1982 (%)	Bad debt provisions 1983 (£m)	Change from 1982 (%)
Barclays	557	+12½	475	+45
NatWest	503	+15	264	+15
Lloyds	419	+27	219	0
Midland	225	−10	318	+62

The improvement owes a lot to favourable comparisons with 1982, when Lloyds had to make *heavy provisions against prob*lem loans overseas, where it is *more heavily exposed* than other UK banks.

For 1983 Lloyds was able to leave its bad debt charge *against profits unchanged at* £219m. The other clearers all reported sharply *higher charges.*

The best performance came from Lloyds' international operations, where profits rose 40 per cent to £189m, helped by sterling's weakness against the dollar. Domestic profits were up 19 per cent to £230m, with personal lending leading a 27 per cent gain in advances.

Sir Jeremy Morse, chairman, said the world economy was looking a little better, "but it is by no means out of the wood yet." An unstable situation had developed in the U.S. "*which could threaten higher* interest rates at some point."

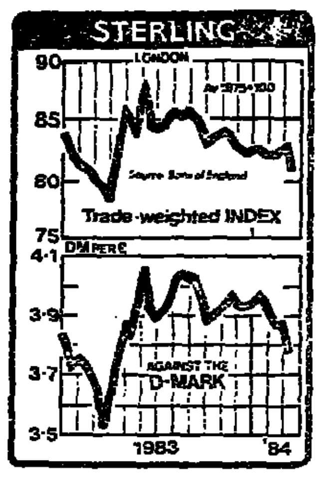
Asked whether Lloyds intended to follow Barclays' recent ½ per centage point base rate cut, Mr John Davis, chief general manager, said the bank was *watching* the market day-by-day. He predicted that *UK interest rates would fluc*tuate in a narrow band for the rest of the year.

Sir Jeremy also denied that Lloyds intended to reduce its 21.3 per cent stake in Royal Bank of Scotland. Lloyds is believed to be under pressure from the Department of Trade *and Industry to act so as to avert a reference to the Mono*polies and Mergers Commission.

Full dividend for 1983 is 28.5p, up 16 per cent.

Lloyds results complete a week in which the top four UK clearing banks have set aside a record £1.275bn out of their profits to cover bad debt, which are running high in the UK and overseas. However, strong loan *demand helped boost under*lying profits by handsome margins, allowing the banks to come out ahead, except for Midland whose earnings fell by 10 per cent because of massive loan problems at Crocker National Bank, its Californian subsidiary.

Details, Page 20
Lex, Back Page



A bleak week for sterling

By Robin Pauley

THE POUND ended an unhappy week on the foreign exchange markets yesterday, closing at its lowest for almost a year against a basket of European currencies.

The Bank of England's trade-weighted index of its value was 80.8, the lowest since April 8 and 1.9 per cent down on the week. It closed on Thursday at 81.1. Last Friday it was 82.4.

The dollar improved slightly in London yesterday on its Thursday close in New York, where sharp falls followed a strong European closing. Against the dollar the pound was 25 points up at $1.4605, compared with Thursday's London close. Over the week the pound lost 2.05 cents against *the dollar in spite of the U.S.* currency's continued fall against *most currencies.*

Sterling has been weakened by *uncertainty* surrounding Tuesday's Budget, the prospect *of interest rate cuts next* week following Barclays Bank's ½ percentage point cut in *its base* rate, and anxiety about a *miners'* strike. *There also* appears to be apprehension about the EEC summit in Brussels on March 19 and 20. If it ends in disarray it could weaken sterling against the dollar. This happened after the Athens discord last year.

Activity in the currency markets yesterday was lower than during the week. The pound fell against the D-Mark, closing at DM 3.77 after opening at

Continued on Back Page
Money Markets Page 23
Editorial Comment, Page 18

National Intergroup and U.S. Steel call off £394m merger

BY TERRY DODSWORTH IN NEW YORK

U.S. STEEL and National Intergroup, two of America's biggest steel producers, abandoned *their proposed $575m (£394m)* merger yesterday, with an attack on the U.S. justice department for its "unrealistic" approach to the industry's *restructuring* needs and a call for early legislation to cut imports.

The joint announcement follows a U.S. justice department's decision last month to block the similar, though smaller, merger between LTV Corporation and Republic Steel. *An amalgama*tion of U.S. Steel and National would have created a much larger group, with about one-fifth of the U.S.'s steel manu*facturing capacity and a strong* hold on flat-rolled products for the consumer durables industries.

Mr David Roderick, chair*man of U.S. Steel, said yester*day: "Following our intensive *study of the methodology the* Justice Department would use in analysing our merger proposal, it was clear the department would challenge it."

Under fire

The collapse of the mergers has caused a furore in the steel industry and has brought the Justice Department under fire from other parts of the administration.

Even President Ronald Reagan has seen fit to enter the fray, supporting the line taken by Mr Malcolm Baldridge, the Commerce Secretary, and commenting that the deals would not reduce competition in the industry "to the point that it would constitute a monopoly."

The Justice Department's *attitude has seemed particularly* contentious because the anti-trust authorities have allowed the much larger $10.1bn take-over of Getty Oil by Texaco.

Mr Paul McGrath, head of the department's anti-trust division, has made a spirited defence of the decision, producing figures to demonstrate that the LTV-*Republic proposals would con*stitute a clear breach of the merger guidelines.

He has stressed that the department would help the steel companies to restructure their merger proposals in ways that would be acceptable to the department, while looking kindly on cross supply deals.

The impact

LTV and Republic are discussing such possibilities with the department. But U.S. Steel and National failed to work out any acceptable way of modifying their transaction, although they held meetings with justice department officials.

Neither U.S. Steel nor National would say whether they have any long-term alternative to their merger. The immediate impact of their decision, however, is likely to be an increase in protectionist pressures in the industry—a trend which both the White House and the Commerce Department were hoping to deflect by putting more emphasis on increased manufacturing efficiency in the U.S.

Mr Roderick underlined this problem by appealing to Con*gress for swift action on the* Fair Trade in Steel Act. This *Bill, introduced earlier this* year, calls for measures to limit *imports to 15 per cent of the* country's estimated steel supply *needs. It has the support of* the steel industry and the steel *unions and has attracted sub*stantial backing in Congress.

The share prices of the two companies, which were already discounting the failure of the merger proposals, took the announcement calmly, with National Intergroup remaining unchanged at $28½, and U.S. Steel losing $¾ to $29.

MARKETS

DOLLAR
New York lunchtime:
DM 2.57675
FFr 7.9425
SwFr 2.133
Y224.12
London:
DM 2.5785 (2.587)
FFr 7.9525 (7.9725)
SwFr 2.1335 (2.137)
Y224.05 (224.45)
Trade weighted 125.6 (125.4)
Tokyo close Y225.75

U.S. LUNCHTIME RATES
Fed Funds 9⅛%
3-month Treasury Bills 9.36%
Long Bond 96¾
yield n/a

GOLD
New York Comex March $400.7 ($403.1)
London $401.75 ($396.25)

STERLING
New York lunchtime $1.4655
London $1.4605 (1.468)
DM 3.77 (3.775)
SwFr 3.12 (3.12)
FFr 11.6125 (11.62)
Y327.5 (327.5)
Trade weighted 80.8 (81.1)

LONDON MONEY
3-month interbank mid rate 9⅛% (9)
3-month eligible bills: buying rate 8 37-64ths% (8⅜)

STOCK INDICES
FT Ind Ord 840.9 (+3.2)
FT-A All Share 501.35 (+0.3%)
FT-A long gilt yield index High coupon 10.07 (10.72)
New York lunchtime DJ Ind Av 1,139.03 (−8.06)
Tokyo Nikkei Dow 9,997.22 (+37.9)

Chief price changes yesterday, Back Page

CONTENTS

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086

W. Europe faces tough decisions on Nasa offer

By David Marsh in Paris

EUROPEAN governments face tough financial and industrial decisions in coming months on whether to join the U.S. in building an orbiting space station, following a multi-billion-dollar partnership offer made by the U.S. space agency in Paris yesterday.

Mr James Beggs, the head of the National Aeronautics and Space Administration, held out the offer of equitable participation by Europe at a meeting yesterday with the governing council of the European Space Agency, the 11-nation group which co-ordinates European space activities.

Afterwards, Mr Beggs went out of his way to allay European fears of a lop-sided partnership with the Americans in the project.

He stressed that the space station—announced by President Ronald Reagan in January at an initial cost of $8bn (£5.4bn) up to the early 1990s—would be purely civil in character. Although it could lead to military use of space later on.

Recognising the European view — put particularly by France—that the station should be constructed and supplied using Europe's Ariane rocket system as well as the Nasa space shuttle, Mr Beggs said: "We intend to provide access on an equal basis."

The station would provide facilities for materials processing and scientific experiments impossible to carry out on earth.

Use would be agreed under a "condominium" arrangement open to all countries participating in construction. Participants would be able to safeguard "intellectual property rights" on commercially-useufl processes and substances discovered during experiments, he said.

At the end of a week-long European trip which has also taken him to London, Bonn and Rome, Mr Beggs said he had told the council: "We foreclose no options. There are no areas out of bounds."

GREECE APPROACHES NATO OVER ALLEGED AEGEAN INCIDENT

Papandreou condemns Turkish 'provocation'

BY ANDRIANA IERODIACONOU IN ATHENS AND DAVID BARCHARD IN ANKARA

MR ANDREAS Papandreou, the Greek Prime Minister yesterday described Turkey's alleged shelling of a Greek warship and fishing vessels in the Aegean as "the most serious provocation" by Turkey since Turkish troops invaded and occupied northern Cyprus in 1974.

Mr Turgut Ozal, the Turkish Prime Minister, however, compared Greece's reaction to the incident in the Gulf of Saros as that of "a child running to its mother, pretending to have been hit."

The Turkish Foreign Ministry had earlier categorically denied that a Greek vessel could have come under fire during any of the three military exercises Turkey had held in the gulf on Thursday.

A Foreign Ministry statement accused Greece of fomenting an artificial crisis with an eye to reactions from the U.S. The suggestion appeared to be that Greece had timed its accusations to coincide with U.S. congressional hearings on military aid to Turkey.

Turkey's response to the incident, however, was low-key and there was no expectation in Ankara that Turkish-Greek relations would be permanently affected.

The Cypriot Government, for its part, made it clear that the tension in the Aegean would not alter plans to strengthen Greek-Cypriot military defences in Cyprus.

A statement to this effect was made in Athens yesterday by a Cypriot Government spokesman following week-long talks, due to end today, between Mr Spyros Kyprianou, the Cypriot President, and members of the Greek Government.

Foreign Ministry officials in Athens said Greece yesterday made an approach to Nato in Brussels over Thursday's alleged Turkish attack. The officials said that Greece had not asked Nato to take any specific steps on the issue, but that it was "up to the Alliance to take any measures it sees fit."

Meanwhile, the Greek Government yesterday appeared to be in some doubt whether it would go through with a decision to recall its ambassador to Ankara, and simultaneously ask Turkey's ambassador to Athens to leave the country. Senior Greek officials said Athens was waiting for "the latest Turkish explanation" of the incident.

Turkey unperturbed by Hellenic uproar over Saros

BY DAVID BARCHARD IN ANKARA

THURSDAY'S alleged incident in the Gulf of Saros in which Greece claims that one of its ships came under fire from five Turkish destroyers inside Greek territorial waters could sound exactly like the sort of accident to ignite an explosion in the Aegean.

However, the reaction highlighted the difference between the way the two parties see the dispute. Officials in Athens worked feverishly through the night, as if the country might be close to war. In Ankara they didn't bother to get out of bed. Most appeared unaware of the "crisis" when questioned by reporters, and were rather grumpy to be woken up.

Turkey and Greece are fond of pointing out the paradoxical nature of the enmity both feel passionately and which runs back to the battle of Mantzikert in 1071, when the Turks broke into Anatolia and dealt a mortal blow to the Byzantine empire.

The two nations believe (possibly not entirely accurately) that they have more in common with each other than the rest of the world. They are also Nato allies and linked to each other through a host of European organisations. Turkey hopes one day to follow Greece into the EEC.

Despite this, the feud between them keeps erupting. Greeks seem to feel that Turkey has robbed Hellenism of its rightful world historical role. Turks—particularly on Cyprus—respond to almost every manifestation of cultural Greekness, from the alphabet upwards, as if it were a denial of the right to be Turkish.

Crete, 30 per cent Turkish until just before the First World War, now has no Turks and virtually no memory that they were ever there except as an oppressing alien force. In northern Cyprus, in the past 10 years, the overwhelming majority of the Greek population has gone and there is an uncompromising policy of Turkification.

Much of the dispute centres on demarcations and boundaries. Turkey's major worry in the Aegean is that Greece will use its apparent rights under the Law of the Sea conference decisions to increase its territorial waters from 6 to 12 miles, thus closing the international waterways from the Mediterranean to the Dardanelles.

Turkey has said this would be a casus belli—a warning which Greece despite some brinkmanship, seems to have heeded. It has also been notably cautious about building up its military strength in the south of Cyprus. Last week, the Turkish parliament issued a unanimous warning that if Greece did so, it might act to protect the mainland and Turkish Cypriot strategic interests.

The future of the conflict seems unlikely to be affected by intervention from Europe or the U.S. The growing population and industrial power of Turkey will, however, be a major factor.

Turkish apprehensions of a possible Greek pre-emptive attack, strong in 1973 and 1974, are fading. But for Greece, there is the awkward task of learning to overcome ancient phobias. So far, no-one in either country seems inclined to try burying the hatchet.

Optimism in Brazil over record trade surplus of $856m

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL achieved a record trade surplus of $856m (£578m) last month, setting it well on its way to the 1984 target of a $9bn surplus on visible goods.

The foreign trade target is a key element in the country's current account adjustment programme, being undertaken under the supervision of the International Monetary Fund.

Yesterday, the Brazilian authorities were euphoric about a performance which surprised even optimists in the government. "We have begun the year on the right footing," said Sr Carlos Viacava, the Foreign Trade chief.

Sr Viacava warned, however, that the $9bn surplus could still not be guaranteed. Agricultural experts point out that Brazil's major export crops of coffee and soya are unlikely to be as big as the Government is predicting.

In February, Brazil exported goods worth $1.87bn, nearly 10 per cent up on the previous month, but slightly below the average recorded in the second half of 1983.

However, the critical factor behind the record surplus remains the continuing decline in imports. The February figure of $1.01bn was the lowest since April 1978—before the last big leap in world oil prices.

Brazilian imports fell by 21 per cent in 1983 after a 12 per cent decline in 1982. So far this year, they have come down another 18 per cent, compared with the first two months of 1983.

Part of the explanation for the import drop lies in rising domestic oil production. But the continuing recession in industry, and the Government's refusal to grant import permits for other than essential items, are also responsible for the country's deceptively good trade performance.

Government officials yesterday chose to stress, instead, the good growth in sales abroad of manufactured goods, which made up 56 per cent of all exports.

The best performing items were orange juice—benefiting from the recent severe frosts in Florida—and "transport equipment," a category which is also used by Brasil to cover weapons exports.

Peter Montagnon adds: Brazil's commercial bank creditors yesterday began paying out the first $1bn of the $6.5bn loan assembled by them as part of its 1984 debt rescue package. A further $2bn is due to be released in stages between now and March 23.

Mr William Rhodes, the senior Citibank executive who has chaired the banks' negotiating committee said yesterday total subscriptions to the loan reached $6.51bn. The $10m oversubscription is to be returned to creditor banks in proportion to their share in the loan.

The International Monetary Fund is meanwhile scheduled to make SDR 374m (£262m) available to Brazil next Thursday, Mr Rhodes added.

W. Germany boosts early retirement offer

BY RUPERT CORNWELL IN BONN

THE WEST German Government yesterday improved its offer of early retirements a way of tackling the country's high unemployment, as the first "warning strike" took place in support of a 35-hour working week.

The original proposal, for voluntary retirement at 59, had run into parliamentary difficulties which threatened its chance of early passage into law.

Senior Cabinet Ministers now plan to lower the eligible age to 58. To ease the potential extra cost for the exchequer, the amount the State will contribute to the extra costs incurred by employers is being cut, to 35 per cent from 40 per cent.

Under the proposals, workers who take advantage of the scheme—perhaps 500,000 or more over the five years the scheme will operate—will be guaranteed at least 65 per cent of their final gross pay for the years before they reach the normal retirement age of 63.

The entire offer remains conditional on the employer taking on someone already unemployed or a first-time job-seeker to fill the vacant post.

The Government aims to have the amended draft bill through the Bundestag and onto the statute book by May 1—in time, itit hopes to have a decisive impact on the current wage round negotiations which are deadlocked over the unions' demand for a five-hour cut in the standard 40-hour working week.

But whether it is successful remains to be seen.

Meanwhile, the first warning strike hit a medium-sized engineering concern at Hanau, near Frankfurt. But even there, management and unions were predictably split on the details.

According to the former, at most 100 of the company's 380 workers took part in the hour-long stoppage. According to IG-Metall, the metalworkers' union, 300 joined in.

Strong gains in U.S. employment

By Stewart Fleming in Washington

THE U.S. economy recorded exceptionally strong gains in employment in February and another significant decline in the jobless, with the civilian unemployment rate dropping from 8.0 per cent to a seasonally-adjusted 7.8 per cent, its lowest level since September 1981.

Announcing the figures yesterday, Dr Janet Norwood, Commissioner at the Bureau of Labour Statistics, said the U.S. continues to enjoy "an unusually strong labour market recovery."

The "highlight" of current labour force developments continue to be rapid rate of job growth. In February, total civilian employment rose 700,000 to 103.9m seasonally-adjusted, bringing the gain over the 15 months since the U.S. economic recovery began to 4.9m.

In industry alone, payroll employment rose by 385,000 in February, with one-third of the increase coming from the manufacturing sector.

The February employment data underscores the picture of a strongly-expanding U.S. economy which has emerged from economic statistics so far this year.

Labour bureau statistics show that the average work week in manufacturing industry last month was 41 hours, the highest level since 1967.

The strong growth in employment levels has brought the ratio of working people to the total population to 59.1 per cent, restoring 2 of the 2½ percentage point decline during the recession which ended in November 1982.

EEC socialists agree on joint manifesto for June

BY IVO DAWNAY IN LUXEMBURG

AN AGREEMENT between 12 EEC socialist parties on a joint manifesto for the June European parliamentary elections was reached early yesterday morning after an all-out negotiating session involving substantial compromises.

But it was widely accepted in Luxembourg yesterday that the fact that the manifesto had been agreed at all was perhaps more significant than its contents. The agreement was only reached after a series of tortuously negotiated compromises by the delegations of several parties.

The first major breakthrough came when parties supporting unilateral nuclear disarmament agreed to remove references to arms cuts to accommodate the French Socialists' policy of maintaining an independent deterrent.

This was followed by a number of concessions to the British Labour Party, including a total revision of the section on the Common Agricultural Policy to incorporate a demand for a ceiling on product support payments.

The British also insisted that the final draft of the manifesto included an addendum disassociating the Labour Party, along with the Danish Social Democrats, from calls for new legislative powers for the European Parliament.

The main thrust of the manifesto centres on the need for job creation through an EEC programme of public investment aimed at increasing expenditure by an average of 1 per cent of member states' GNP.

The manifesto also supports the reduction of weekly working time to 35 hours and the implementatio nof the Vredeling directive on industrial democracy.

Opec confident on output curbs

BY RICHARD JOHNS IN VIENNA

THE Organisation of Petroleum Exporting Countries' market monitoring committee is reasonably confident that collective output can be restrained sufficiently during the spring to defend the year-old price structure based on a reference price of $29 per barrel.

However, the committee was by no means complacent as it ended its meeting here yesterday. Opec now enters a six to eight-week period regarded as critical by the committee and its expert advisers.

They believe demand for members' oil is likely to fall to a maximum of 16.5m barrels a day — provided there is no overall rundown of inventories — in the second quarter compared with the official ceiling on members' output of 17.5m b/d and an actual rate in the first quarter of 1984 of up to 18m b/d.

Dr Mana Said al Otaiba, chairman of the committee, and the United Arab Emirates' Minister of Petroleum, said the four-man ministerial team had viewed "with satisfaction" developments in the oil market over the past three months.

Moreover, it did not think there had been any serious violation by members of their quotas under Opec's production sharing agreement or of the official price structure.

The committee was clearly impressed by the commitment and loyalty to Opec expressed by Mr Tam David-West, Nigerian Minister of Petroleum, on behalf of the military regime which took power at the New Year. He attended the meeting as an observer and did not press for a higher quota for his country.

He said on Thursday the government realised there could be no question of a revision of output allocations until Opec's next bi-annual ordinary ministerial conference scheduled to take place here in July.

Thereafter, Opec foresees considerable change in its fortunes with an anticipated increase in demand for its oil.

Mr David-West also assured that Nigeria's production would on average not be more than its 1.3m b/d quota over the whole of the first quarter.

Oil industry observers believe its output exceeded this level slightly over the first two months of 1984 and recently lept to 1.6m b/d or more.

Britain set to agree Egypt defence credit

By Our Foreign Staff

BRITAIN is close to concluding an easy-term loan arrangement of approximately £300m to allow Egypt to buy a range of British military equipment.

The proposed deal is understood to involve tank and naval armaments. It was discussed between Ministry of Defence officials and Mr Abdel-Halim Abu-Ghazala, Egypt's Defence Minister, who has been in London on official business this week.

The Ministry of Defence confirmed that Export Credits Guarantee Department facilities were available for business with Egypt, but they declined to disclose details of discussions.

Heavy fighting continues near Majnoon oilfields

BY OUR MIDDLE EAST STAFF

IRAQ AND Iran reported continued heavy fighting yesterday near the Majnoon oilfields in south-eastern Iraq, just inside the international border.

Iraqi military commanders announced at the beginning of this week their determination to retake Majnoon, but so far do not appear to have achieved any success. Iran claimed yesterday to have beaten back another Iraqi offensive, killing or wounding large numbers of troops.

The United Nations has meanwhile decided to send medical experts to Iran to investigate accusations that Iraq has been using chemical weapons.

The U.S. has already said it is convinced that chemical weapons have been used, and a team from the International Committee of the Red Cross concluded after a visit to Tehran that "substances prohibited by international law" had been employed in the fighting.

Iran has been pressing for a UN team to be sent.

Members of the UN Security Council concluded yesterday during private talks that the time was not ripe for another attempt to end the Gulf war.

Poll shows Hart leading Reagan

WASHINGTON — Democratic Senator Gary Hart would beat President Ronald Reagan if the U.S. presidential election were held now, according to a Gallup Poll.

The Colorado Senator would beat Mr Reagan 52—43 per cent, the poll said.

Mr Reagan would beat two other Democratic Presidential contenders — former Vice-President Walter Mondale 50—45 per cent, and former astronaut John Glenn 52—41, Gallup added. Agencies.

Depressed regions in UK 'among poorest in EEC'

BY JOHN WYLES IN BRUSSELS

THE UK's most economically hard-pressed regions are among the worst off in terms of income and unemployment in the entire European Community.

This is one of the findings of a survey on regional social and economic disparities which has been conducted by the European Commission.

It shows very little overall improvement since the last comparable study was made in 1980 with Hamburg still being five times better off on a income/employment index than the Calabrian region of Italy.

According to the index the whole of Ireland, north and south, southern Italy, most regions of Greece and Corsica have the worst problems. But they are very closely rivalled by Merseyside, Dumfries and Galloway, Strathclyde, Northumberland, Tyne and Wear, Cleveland, Durham, Gwent, most of Glamorgan, Cornwall, Devon and the West Midlands.

The indices have been developed on the basis of statistical averages for the years 1977-81. With the Community average at 100, the intensity of Northern Ireland's regional problems is measured at 43.8, Merseyside at 43.8 and Cleveland at 61. Very few British regions come above the average.

Generally, the survey confirms that those regions furthest away from the Community's heartland tend to be the most economically depressed.

According to the Commission, differences in labour productivity do much to explain the disparities but this definitely responds to improvements in transport, energy telecommunications and other infrastructure facilities.

Supreme Soviet to meet

BY ANTHONY ROBINSON

THE NEWLY-elected Supreme Soviet is scheduled to meet for its first two-day session on April 11. One of its tasks is expected to be the "election" of a new President to succeed the late Yuri Andropov.

Both Mr Andropov and his predecessor, Mr Leonid Brezhnev, added the Presidency to their two other functions as General Secretary of the Communist party and President of the Defence council, effectively commander-in-chief of the armed forces.

Given the weight of precedent, Mr Konstantin Chernenko, the new Soviet leader, is expected to seek the same honour. The office of President of the Praesidium of the Supreme Soviet is essentially a courtesy title which entitles the holder to rank in protocol terms as head of state. In the event of any future U.S.-Soviet summit meeting, it would enable Mr Chernenko to meet President Reagan on an equal basis, in protocol terms.

The Supreme Soviet meeting is customarily preceded by a plenary session of the party central committee. This will provide an occasion for further clarification of the priorities of the new leader. It could also be used to make new appointments in both the government and party structure. Many government ministers and Politburo members are in their seventies. The Politburo, the top policy-making organ, is down to a relatively low strength of 12 and could be supplemented.

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. U.S. subscription rates $470.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES 14 East 60th Street, New York, NY 10022.

S. Korean company pulls out of Hymac deal

By Lynton McLain and Robin Reeves

DAEWOO, one of South Korea's largest industrial groups, cancelled plans at the last minute yesterday to acquire from the receivers the assets and business of Hymac, the Welsh excavator company.

As a result of the cancellation Daewoo has forfeited a deposit of about £190,000 to £200,000.

The company pulled out 24 hours before the signing ceremony. This had been scheduled with receivers Price Waterhouse for 3 pm yesterday.

The Welsh Development Agency had supported Daewoo's proposed acquisition of Hymac's assets and business and had been prepared to invest in the project. The agency expressed its "extreme disappointment" after it had called a special board meeting to approve a "substantial investment" in the project. The agency was still prepared to back "any reasonable commercial project for continuing the Hymac business in Wales."

Daewoo's decision to pull out, without explanation, is a setback for Hymac's creditors. The receivers have been searching since late last year for a buyer following the collapse of Hymac's West German parent IBH Holdings.

This period of uncertainty came to an end on March 1 when Price Waterhouse announced the Daewoo deal. The sale was "subject to certain formalities, and if these are successfully dealt with completion is due to take place at the end of next week March 9)."

Mr Ryan Densham, one of the joint receivers said last night, "There was a real expectation that the matter would be concluded. We do not know what it is that has caused the company to withdraw."

Price Waterhouse said that Daewoo has decided not to exercise its option to complete the acquisition and has informed the receivers that it will not proceed any further."

The withdrawal could have been to do with "legal problems," Mr J. H. Jung, general manager of Daewoo Industrial in London said. He was not part of the negotiating team, and did not know "exactly the reason for the withdrawal. The team has flown back to South Korea."

Mr Jung acknowledged that Daewoo "had a very strong intention to run the Hymac factory."

NEI Thompson, the engineering company previously interested in acquiring Hymac's assets, was considering its position again in the light of Daewoo's withdrawal.

Empty factory rates suspended

RATES ON empty industrial property are to be suspended from April 1 after a long campaign by companies.

Mr Patrick Jenkin, the Environment Secretary, laid the necessary regulations before parliament yesterday. The Government's move follows a commitment to suspend rates on empty industrial property in the Rates White Paper last August.

Fewer than half the rating authorities in England and Wales levy empty property rates but several major companies have removed part of the roofs of their factories to escape paying.

British Gas stalls on Wytch Farm sale

BY IAN HARGREAVES

BRITISH GAS has reached agreement with a group of oil companies on the £160m sale of its stake in the Wytch Farm oilfield in Dorset, but is demanding government assurances that its acceptance of the deal cannot be challenged on legal grounds.

Complete documentation was presented to a special meeting of the British Gas board earlier this week, but the directors decided they could not sign until the political position becomes completely clear.

This may happen early next week. Mr Geoffrey Lofthouse, Labour MP for Pontefract and Castleford, is to raise allegations that the deal is both illegal and commercially unsatisfactory in an adjournment debate in the Commons on Tuesday. The Government might well declare its hand in response to the debate.

The Commons select committee on energy has also re-entered the Wytch Farm fray by writing to British Gas and the Department of Energy raising the legal and commercial issues and asking for their views by Monday.

It is possible that the select committee will decide to hold a swift inquiry into the deal. In a previous report, published in 1982, the committee stressed "the need to ensure that the sale produces the maximum return to the nation." It is the responsibility of both the corporation and the Department of Energy to ensure that this happens."

British Gas has made no secret of the fact that it thinks the negotiated price of £160m, plus a share of profits in the later stages of the field's life, is well below its own estimate of £400m.

The corporation has informally asked the Government for an indemnity to cover it against future objections to the terms of the deal, since it argues it was forced to negotiate under duress by the terms imposed in early 1983 by Mr Nigel Lawson, then Energy Secretary.

The Government is likely to resist giving such an indemnity, because it believes the allegations of illegality are without foundation. However it may offer a reassuring public statement designed to bring the three-year Wytch Farm saga to an end.

British Gas has called another special board meeting for the middle of next week to review the political position. If it considers that the necessary assurances have been given, the deal could be completed. If not, another long period of haggling could begin.

The buyers of British Gas's stake in Wytch farm are the so-called Dorset bidding group, whose members are: Tricentrol, Premier Consolidated, Carless Capel Leonard, Goal Petroleum, and Clyde Petroleum.

Lloyd's tax evasion bill could exceed £100m

BY JOHN MOORE, CITY CORRESPONDENT

THE INLAND REVENUE is now understood to be seeking outstanding tax from the Lloyd's insurance market amounting to more than £100m, with an interim payment of £60m plus penalties.

Lloyd's is trying to reach agreement with the Revenue over the use of reinsurance schemes designed by the market's professionals to evade tax. An earlier estimate by underwriting agents of £30m for the interim payment sought is now thought to be too low.

The Revenue is taking a tough line with the Lloyd's insurance community in seeking to recover money lodged offshore.

A Lloyd's committee, headed by Mr Peter Miller, Lloyd's chairman, and composed of professional accountants and other advisers, is dealing with negotiations with the Revenue.

Lloyd's offered to make an interim payment of £10m, but that proved unacceptable to the Revenue.

Lloyd's is arguing that it should pay only a small amount now from market funds as the Revenue should collect the tax arrears from individuals.

Lloyd's is faced with internal problems arising from the Revenue's request for an interim payment.

It has been studying whether the interim payment could be made out of the central fund, a fund of last resort designed to protect policyholders in the event of a failure of any underwriter. The fund stands at £108m and is funded by subscriptions from members.

An impasse has been reached between the Revenue and Lloyd's but discussions are continuing to find a way in which the arrears of tax can be paid.

However, some members argue that any payments should come from those who have used the tax evasion reinsurance schemes.

Lloyd's is also arguing that if the market's professionals repatriate funds lodged offshore for tax evasion purposes this year, and present them for UK taxation, there would be no need for an interim payment.

Fresh Ford incentives

FORD CALLED its dealers to meetings throughout Britain yesterday to give details of a new incentive scheme.

Although the scheme had been rumoured to be a large scale initiative, it is modest by recent standards, and should give the rest of the industry no reason to retaliate.

Dealers will be given an extra £150 on each Sierra but only when a Cortina is traded-in by the customer. It can be expected that the £150 will be most cases.

Ford has also extended from March 16 to April 1 the "price protection" for company fleet buyers. This means that up to that date they can take delivery of cars at pre-February prices —when they went up by 3.9 per cent.

Ford stopped giving its dealers large extra bonuses in September last year and announced it was attempting to "lead the industry back to more sensible marketing."

Sun Oil set on placing contract in Sweden

By Dominic Lawson

THE Department of Energy is understood to have failed in its last-ditc hattempt to dissuade Sun Oil of the U.S. from placing a major North Sea order with a Swedish company.

Sun Oil intends to submit a statement to its partners in the Balmoral oilfield on Monday. It is likely to specify Gotaverken Arendal of Gothenburg as the prime contractor for a £125m floating production platform.

At a meeting with Sun Oil yesterday, Mr Alick Buchanan-Smith, the Energy Minister, accused the Dallas-based oil company, America's 10th largest, of nat having given full and fair opportunity to UK shipyards in bidding for the contract.

Sun denies this. It seems likely that about 35 per cent of the value of the contract will be laid with British yards, including Cammel Laird, part of Britsh Shipbuilders. Scott Lithgow is also tendering for subcontracting.

North Sea operators have a verbal argeement with the Department of Energy, specifying that about 70 per cent of the value of developments is placed in the UK. That has not previously been broken. The department's fear is that if Sun Oil does not place the contract in the UK it will not achive 70 per cent UK input over the development and that other foreign companies will follow its example.

The meeting with Mr Buchanan-Smith, described as "forthright," was followed by one at Sun Oil's London base of the Balmoral group. British companies in it include Britoil, Clyde Petroleum, Goal and Carless Capel.

The Balmoral field borders on commercial viability, costing about $630m (£432.1m) to develop about 60m barrels of oil. It seems that Sun Oil's partners accept its arguments over the need to place the order with Gotaverken, but feel that the U.S. company has treated the department high-handedly.

Jason Crisp looks at a deal to take over rights of the Sirius compute

ACT sets its sights on Europe

AFTER its successful bid for manufacturing and distrbiution rights of the Sirius computer Applied Computer Techniques plans to become one of Europe's biggest suppliers of professional personal computers.

Mr Roger Foster, founder and managing director of ACT, said yesterday: "The deal will take us from being the most important supplier in the UK to being one of the three major companies in Europe alongside IBM and Apple."

ACT confirmed yesterday that after five weeks' intensive negotiations it had won tis bid for Sirius's rights from Victor Technologies in the U.S.

The fast-growing computer group, based in Birmingham, told the Stock Exchan ge in the afternoon that the deal would go ahead. After a New York meeting the board of bankrupt Victor Technologies sent a telex on Thursday evening confirming it would sell the assets to ACT.

The Sirius, a powerful business computer costing about £4.000, has been successful outside the U.S., particularly in the UK. The strength of Sirius's sales dramatically boosted ACT, the UK distributor and Victor's biggest single customer.

Victor had been in severe financial difficulty since the middle of last year and was forced into bankruptcy by its creditors at the beginning of last month. Under court supervision, Victor has continued supplying ACT and distributors in other countries.

ACT has developed and started manufacturing its own computer, the Apricot, but still received a substantial part of its income from Sirius. In spite of the uncertainty surround Sirius, ACT last week launched a rights issue — its third in three years — to raise £17.2m.

The rights isue is not paying for the purchase of Sirius's manufacturing and distribution. That is being funded from existing resources, says Mr Roger Foster, founder and managing director.

The rights issue is to finance growth in working capital as the company expects turnover to double next year to more than £100m.

Details on the deal with Victor have to be finalised, and it has to be approved by the U.S. Federal Bankruptcy Court. The transfer date is in court hands, but ACT hopes it will be April 1.

ACT is to acquire the stocks and debtors of the U.S. manufacturing operation, based in California. ACT is taking over the French and West German distribution rights which were held by Victor subsidiaries.

It expects to pay about $10m (£6.9m) for the stocks and debtors. The amount depends on valuation on the transfer day. It will pay about $5m for the European distribution organisations which account for 50 to 60 per cent of the receivables—money owing—in France and 80 per cent in West Germany.

Mr Foster said ACT would be paying a nominal amount only for the goodwill of the business. The cost to ACT therefore will be very small.

ACT will pay Victor's creditors a royalty on every Sirius sold. This is likely to be the main attraction for them.

The deal has the full support of Victor's creditors. S Pacific showed an early int in acquiring the Sirius ri but in the end ACT was only serious bidder. Swire, Far Eastern distributor, at time joined ACT in the bic

ACT's final proposal was mitted on Wednesday. creditors said if it was accepted by the Victor b they would file to have the c pany put into liquidation.

Initially, ACT will conti to make the Sirius in Califor "Our prime concern is ensure continuity of supp said Mr Foster.

The company will then c sider manufacturing it e where, probably transfer production to the Far East possibly subcontracting Swire — or Scotland.

ACT has a factory in Gl rothes where it makes the A cot, ACT faces particularly s competition in Europe fr IBM, Apple and Commod One reason the Victor compu has been so successful Europe is because IBM did launch its rival Personal Co puter until 18 months after launch in the U.S. where it been a roaring success.

With IBM becoming incre ingly aggressive in Europe — cut Personal Computer pri by 7 per cent to 20 per ce last week — ACT will have move rapidly to capitalise Sirius's success.

PERSONAL COMPUTERS $3,000 TO $15,000 (COMMERCIAL APPLICATIONS)
EUROPEAN MARKET SHARE 1983 (%)

Supplier	UK	West Germany	France	Italy
Victor's Sirius	15	12	6	—
IBM	20	14	9	14
Commodore	20	24	6	11
Apple	16	8	7	19
Triumph Adler	—	15	10	8
Olivetti	4	15	14	39

Source: Inteco

Labour leadership 'covering up problems'

BY ROBIN REEVES, WELSH CORRESPONDENT

THE Labour Party's new leaders are desperately covering up their party's internal strains and difficulties by sweet talking, claimed Mrs Shirley Williams, the Social Democratic Party president in Cardiff yesterday.

Mrs Williams said she was not worried by Labour's better standing in public opinion polls and said any new, young leadership, like Mr Neil Kinnock and his deputy Mr Roy Hattersley, was bound to look attractive for a time.

But a lot of problems were now "floating back to the surface", she claimed, which would eventually lead to the defection of a further 25 Labour MPs.

Labour's continuing problems included the ousting by constituency parties of Labour Euro-MPs who had shown enthusiasm for working within the EEC, despite Labour's more pro-Europe stance.

The expulsion of Militant's six editorial board members was also not preventing Militant supporters from running Liverpool Council.

She was speaking on the eve of the party's Welsh Assembly which will be used to launch the SDP campaigns for two Welsh by-elections later this year, in Cynon Valley and Carmarthen, and the June European elections.

Mr Gwynoro Jones, the SDP's Wales chairman and former Labour MP for Carmarthen, is expected to fight his old seat under the SDP banner when the by-election is eventually called, probably in September.

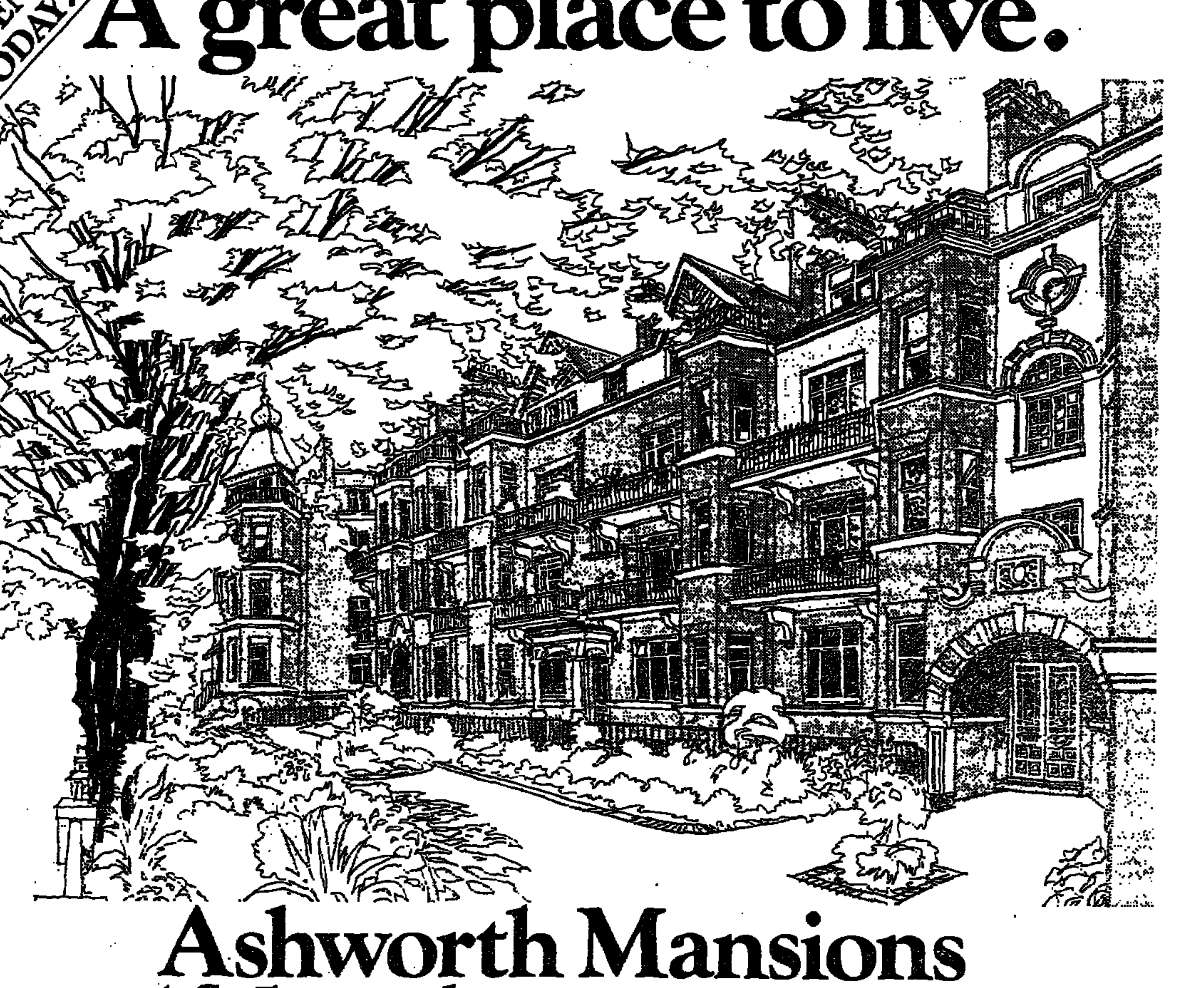
The SDP's candidate for the safe Labour seat of Cynon Valley will be announced at the conference. Mr Felix Aubel, 23, a post-graduate student who fought the seat in last year's general election, is tipped as the candidate for this by-election, expected in May.

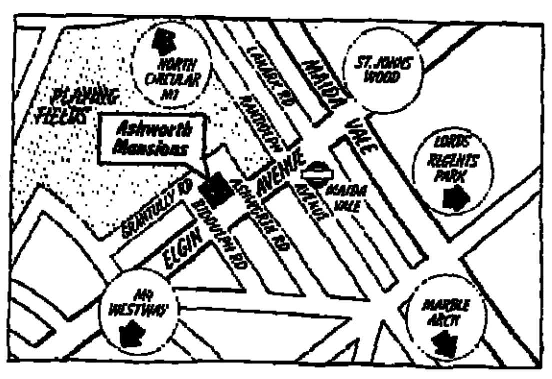
John Hunt writes: The Government is adopting policies of "creeping top-hatted fascism," Mr Eric Heffer, cha man of the Labour Party, to the Scottish Labour Party co ference in Perth yesterday.

"It is increasingly moving an authoritarian, centralist, di tatorial direction," he said.

He based his argument the Government's ban on trac unions at the Cheltenha GCHQ and drew a parallel wi the deporation of the six To puddle Martyrs for combinin in a trade union 150 years ag

In addition there were th Government's plans to abolis the GLC and the metropolita authorities, the introduction the rate capping Bill and th "penalisation" of civil servant for supporting CND.





Minister to visit Moscow

By Ivor Owen

MR PAUL CHANNON, the Trade Minister, is to make a 3-day visit to Moscow in May. The trip is expected to precede higher-level talks involving Sir Geoffrey Howe, the Foreign Secretary.

Mr Ray Whitney, Foreign Office Under-Secretary, hinted in the Commons yesterday that this was likely to be the pattern of events as the Government seeks to improve relations with the Soviet Union.

He emphasised that the Prime Minister had no intention of being rushed into an ill-prepared summit meeting with Mr Konstantin Chernenko, the Soviet leader.

Mr Whitney was replying to a debate in which Dr David Owen, the Social Democrats' leader and former Labour Foreign Secretary, called on Sir Geoffrey to visit Moscow before the end of summer.

Since his visit in 1977 no Foreign secretary had been to Moscow for serious negotiations, Dr Owens said. He urged the Government to lead a concerted effort to reduce East-West tension and secure a start in scaling down the dangerous levels of nuclear weapons held by both sides.

Dr Owen suggested that Mr Chernenko was closer to the thinking of former President Brezhnev than Mr Andropov, his predecessor, had been.

All the signs were that Mr Chernenko shared the view that detente was in Soviet as well as Western interests.

Mr Whitney underlined the need to avoid raising unjustified expectations from the improvement in the atmosphere between Britain and the Soviet Union.

● Leading businessmen will accompany Mr Channon to Moscow. One of their main aims will be to secure information about the opportunities for UK companies in the Soviet Union's 1986-90 five-year plan.

Revised cost estimate for Trident set to top £8.5bn

BY PETER RIDDELL, POLITICAL EDITOR

THE GOVERNMENT is expected to reveal next week that the total cost of the Trident nuclear submarine programme has risen from £7bn to at least £8.5bn-£9bn.

The revision, the first for nearly two years, is less than some recent unofficial estimates of increase to more than £10bn.

The new figure is expected to be disclosed in defence questions in the Commons on Tuesday afternoon, just before the Budget, in response to a question from Mr David Clark, the Labour MP for South Shields. This will be ahead of the publication towards the end of April of the defence white paper.

The disclosure of the revised estimate is likely to provide ammunition both for the critics and the defenders of the project.

The critics, including a number of Tory backbenchers, will argue that the revision shows that Trident cannot be afforded at the same time as other defence commitments are maintained.

The Ministry of Defence will maintain that in inflation-adjusted terms costs are being held down tightly and that the project will only have a limited impact on overall defence expenditure.

The ministry's financial controls over the Trident programme were supported in a recent report from the National Audit Office.

The last estimate for the cost of Trident was £7bn, at September 1981 prices and exchange rates. This was after a saving of roughly £500m, following the decision to refurbish missiles in the U.S.

Assuming an exchange rate of $1.78 to the pound, roughly £2.8bn would have been spent in the U.S. However, the subsequent decline in sterling has added roughly a fifth to the cost of the U.S. part of the project. This is without the upward revision to all the figures as a result of inflation in both the UK and U.S.

The exact revisions depend on estimates of the movement of the sterling/dollar exchange rate during the next few years when spending on the project in the U.S. will be at a peak.

There is a view in Whitehall that if sterling rises against the dollar, current estimates may prove to be too pessimistic and may therefore be providing a false argument to the critics of the project.

The Commons public accounts committee will shortly consider the report by the National Audit Office to decide whether to question Ministry of Defence officials. The all-party select committee on defence is also considering whether to examine progress on Trident.

Run Kilroot on coal, says report

BY MAURICE SAMUELSON

NORTHERN IRELAND'S unfinished power station at Kilroot should be converted from oil to coal, with an option to burn large local deposits of lignite, according to a report in the hands of the Government.

The report being studied by Mr Adam Butler, the minister in charge of co-ordinating Northern Ireland's energy policies, was completed recently by Coopers & Lybrand, the management consultancy.

It is likely to provide the basis for a government decision in the next few months authorising expenditure of about £70m on converting the power station.

The National Coal Board is anxious for a speedy decision, which would give it an outlet for nearly 1m tonnes of coal a year from pits in Ayrshire, Scotland.

It is likely to be less enthusiastic about the proposed use of the 100m tonnes of lignite, which have been found 14 miles from Belfast on the edge of Lough Neagh.

The use of lignite is being canvassed by Mining Investment Corporation, a subsidiary of Burnett & Hallamshire, which has a licence to extract it.

However, neither the NCB nor Mining Investment are likely to want dual firing at Kilroot, and would like the power station to be adapted for the fuel of their choice.

Kilroot, designed in the days of cheap oil, was to have consisted of four 300-megawatt generating sets. Rising oil prices made it too expensive to run and although all four 300-megawatt sets were completed, only two were installed.

The original 1,200 megawatt plant was to have cost £350m in early 1970 prices. Its conversion, on the lines favoured by Coopers & Lybrand, would turn it into a 400 Mw plant costing more than £800m at today's prices.

Employment law 'can be sidestepped'

By Raymond Hughes,
Law Courts Correspondent

THE way is clear for business to circumvent employment laws by the artificial device of creating separate companies for different parts of their operations, according to the New Law Journal.

It says this is the effect of a recent House of Lords judgment on a dispute between the National Union of Journalists and the newspaper group owned by Mr David Dimbleby.

The Law Lords held that Mr Dimbleby's journalists were taking unlawful secondary industrial action when they went on strike after he decided to have his papers printed by TBF Printers of Nottingham.

The union claimed TBF Printers was a party to a legitimate trade dispute the union has with T. Bailey Foreman, an associated company.

The Lords decided the two companies were legally separate although they shared the same premises, telephone number and managing director.

The journal says the decision illustrates the law's limitations in policing the complex area of industrial relations.

Legislation regarded by many employers as stacked against them had been changed radically. It could now be used punitively by employers against unions with which they were in dispute.

"As such the law actually helps to provoke conflict because resort to it will often be seen as an easier option than the pursuit of honest endeavours to reach an agreed settlement," the journal suggests. The law seems capable of resolving little as it now stands.

Brenda Dean is likely to be next general secretary of Sogat '82

BY DAVID GOODHART, LABOUR STAFF

BRENDA DEAN

MS BRENDA DEAN, the president of the print union Sogat '82, is now almost certain to become the next general secretary of the 200,000-strong union.

Voting in the general secretary election ended yesterday and early estimates suggest that she will win by a clear margin from her closest rival, Mr Dennis Hill, secretary of the Yorkshire Ridings branch.

The 40-year-old Ms Dean — who is usually identified with the right in the labour movement — was for six years secretary of the Great Manchester branch of the union before becoming president. She is thus expected to poll well in the Manchester area but has also unexpectdly picked up a large number of voters from the usually left-inclined London branches.

Ms Dean's election — in a union with more than one-third women members—would be the first time a woman had taken over the top job in a major TUC-affiliated union. She has built up a strong following on the basis of her administrative and negotiating skills—and on keeping a relatively low political profile.

Mr Bill Keys, the present general secretary, has traditionally been identified with the Left in the TUC, and the election of Ms Dean may shift the union's political profile to the centre. Mr Keys, 61, who still, technically, has four years to run, is expected to retire within the next 18 months.

The result of the election for his successor will be formally announced at the end of this month. Ms Dean's main opponents are Mr Dennis Hill and Mr Ted O'Brien, the former London machine branch secretary. There are seven candidates in total but none—apart from Ms Dean—has been able to build up any consistent support.

Nupe wins injunction over school meals staff

BY BRIAN GROOM, LABOUR STAFF

THE National Union of Public Employees yesterday won a temporary High Court injunction to prevent Birmingham City Council from carrying out an ultimatum to 5,500 school meals staff to accept inferior terms by March 31 or be sacked.

Mr Justice Glidewell gave the union leave to seek a judicial review of the council's action.

It could be some time before the Birmingham case is heard—possibly after the council elections in May, in which Labour needs three extra seats to oust the Conservatives.

The council wants the meals staff to accept one-off payments of between £40 and £150. They would be dismissed and then re-employed without the regular retaining fee paid during school holidays, the laundry allowance, and having to start paying for their own meals.

Mr John Macdonald, QC, for Nupe, argued in the High Court that the council was interfering with contracts of employment. He said the council did not have a reasonable reason for dismissing people required under the Local Government Act 1972, and it was uncertain what effect the plan would have on the school meal requirements of the Education Act 1980.

Nupe claims that for a mid-grade kitchen assistant on 20 hours a week, the plan would mean loss of benefits worth £100.85 a year in return for a one-off payment of £67.88.

The council's move aims to save about £800,000 a year.

Journalists face BBC court move

By David Goodhart, Labour Staff

THE BBC last night announced it was seeking an injunction against the National Union of Journalists in order to force the union to withdraw its instruction to members not to work with the broadcaster Mr David Dimbleby.

The union has been in official dispute with Mr Dimbleby's West London newspaper group since the end of last year following a decision to switch printing to the non-NUJ T. Bailey Forman group in Nottingham.

Attempts to pressurise Mr Dimbleby through his broadcasting career have already led to Labour Party and TUC spokesmen accepting an NUJ appeal not to appear with Mr Dimbleby on next week's Budget programme.

The current affairs chapel at the BBC—25 of whose members would usually work on the Budget programme—have twice voted not to black working with Mr Dimbleby. However, after an official instruction was sent out by the NUJ on Thursday the vast majority of members said they would abide by it.

The NUJ's action at the BBC would clearly be secondary action and the Corporation is certain to be granted an injunction under the 1980 Employment Act. The NUJ executive has already once backed off from defying the law in this dispute after Mr Dimbleby won an injunction against the union from supporting the original strike by 13 members at his newspaper office in Richmond.

Institute post

MR MEIRION LEWIS, former chief executive of the Development Corporation for Wales, has been appointed the first director for the Wales branch of the Institute of Directors.

Acas to advise at GCHQ

BY OUR LABOUR STAFF

A SENIOR official of the Advisory Conciliation and Arbitration Service has been recalled by the Employment Department and sent to advise on industrial relations at Government Communications Headquarters.

The department confirmed last night that Mr John Lambert, who was an assistant secretary at Acas, had been posted to GCHQ for three months to advise on "the whole range of management-employee relationships."

Civil Service unions suspect that Mr Lambert's role at GCHQ may be to assist with the setting up of the staff association proposed by the Government to take the place of the now-banned unions. Union officials finally vacated their offices at Cheltenham and its outstations yesterday.

Mr Len Murray, the TUC general secretary, said it was "a tribute to the monumental incompetence" of the Government's handling of the GCHQ affair.

Mr Barry Williams

A PRESS ASSOCIATION report published in the Financial Times on March 1 of the withdrawal by Mr Barry Williams, a Merseyside official of the boilermakers' union, of a high court action concerning the April, 1982, ballot for the post of the union's general secretary, stated incorrectly that Mr Williams faced an inquiry as to how he was given legal aid.

In fact, Mr Justice Whitford made an order by consent under the 1974 Legal Aid Act for an inquiry to determine Mr Williams's reasonable liability for costs if any. The judge also ordered that a costs order against Mr Williams should not be enforced without leave of the court. The error is regretted.

Unions go under the microscope

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE FIRST hard research evidence on many of the central points of the Government's Trade Union Bill, to reform unions' internal affairs, is contained in a new survey on union balloting to be published next month.

It was conducted by Oxford University industrial relations researchers Mr Roger Undy and Mr Roderick Martin.

Included among their findings are:

Elections: The survey shows that 76 per cent of manual unions and 8 per cent of non-manual unions elect their general secretaries by a membership vote. The table shows the full results — though it is worth noting that the election of general secretaries by the whole membership covers 64 per cent of all trade union members.

TRADE UNION ELECTIONS
(Percentage of unions surveyed)

Electors:	General secretary	President/chairman	Officials	Executive committee
Whole membership	50	37	28*	60
Conference	14	40	3	20
Executive committee	31	23	47	11†

* Relevant division of membership. † Local committee.

Mr Undy and Mr Martin warn that increased elections could lead to increased militancy, as officers and executive members strive to win a membership vote.

They suggest that if executives are directly elected, while non-voting officials are not, the balance of power would move towards the non-elected full-time officials, especially in unions without factional organisation.

Strike ballots: The survey finds that more than one-third of TUC members are already covered by requirements for ballots before national industrial action.

In addition to these strict provisions covering 35.2 per cent of members, 40 per cent of unions provide explicitly for discretionary ballots on national action, and 42 per cent for local action.

The authors draw a connection between electing officials and ballots for strikes, arguing that these are more likely to occur in unions where officials are appointed, such as the bank union Bifu or the local government union Nalgo. Elected officials are seen as accountable; in the Engineering Union, for instance, strike ballots are seen as unnecessary because of the election system for officials.

They conclude that such ballots in practice can rarely be secret, and rebut the often-made charge that the media can heavily influence postal or workplace ballots, rather than mass meetings.

Mr Undy and Mr Martin are sceptical that ballots would reduce the likelihood of industrial conflict. However, they identify the economic climate as the key determining element. They say that "during a recession it is therefore likely that the extensive use of ballots is associated with reductions in the frequency of industrial conflict."

Ballots and "moderation." The Government believes that increased use of ballots in unions will inevitably lead to greater moderation — but the survey's conclusions suggest that union practice is more problematic.

They examine in detail a range of unions operating postal ballots—favoured by many Conservatives as the optimum. In the AUEW engineering union, a survey of 10 years of union elections shows that turnout rose from about 5.4 per cent to 27.4 per cent, though after a while this fell away.

The sharp political divisions in the AUEW between left and right allow for a direct examination of balloting and moderation. The survey shows that the right wing in the AUEW won 74 per cent of the elections it contested, while the broad left won in 33 per cent of the slightly fewer elections it fought.

Participation also rose in the electricians' union (10 per cent to 30 per cent) and the furniture makers' union (5 per cent to 30 per cent) with the introduction of postal ballots, though in the former the left-wing domination was not immediately altered, and in the latter, electoral competition has sharply declined.

In the bakers', actors' and seamen's unions, participation also rose — but in each case it was the left in the union which improved its position, or even in the case of the first two, gained control, not the right.

Mr Martin and Mr Undy suggest that postal ballots could turn elections into a political lottery.

They also suggest that more moderate union leaders might not necesarily work to the political advantage of the Government, since they would be drawn from the ranks of the Labour Party's Right-wing, and might well have the effect of increasing the electoral credibility of Labour.

Ballots and Trade Union Democracy, by Roger Undy and Roderick Martin; to be published on April 12 by Basil Blackwell, Oxford, £19.50.

هكذا منه الأصل

be next at '82

BRENDA DEAN

ournalists ace BBC ourt move

How often do The Economist's predictions come true?

We're not really in the predictions business.

Even in 1851, when we infuriated our British readers by forecasting the industrial superiority of the United States, we didn't regard it as crystal-ball journalism.

The truth is, we've always found it difficult to write an article of consequence without looking at the consequences of certain actions.

On a number of occasions this fearlessness has made The Economist seem something of a prophet. (Occasionally, it's made us seem merely foolish.)

We were among the first to foresee the plight of the Jews under Hitler.

Nearer to present times, in the early 1950s, we warned Western businessmen to watch out for Japan. (Earlier, we'd told America to watch out for Pearl Harbour.)

In 1974, in the middle of the oil crisis, we forecast an energy glut by the end of the decade, much to the fury of Shell and the other oil companies.

And in 1982, we asked in a headline "Has young Lochinvar come out of the West?"

We were writing about Gary Hart, then an unknown Senator from Colorado.

Of course, sometimes we've got it wrong (sorry about Korea) and doubtless we'll err again.

The occasional misjudgment, it seems to us, is better than no judgments at all.

The Economist doesn't sit on the fence. It's opinionated, independent, even quirky.

If you've never tried it we can safely predict you'll be surprised by its style and its scope.

It believes in good writing and it puts its stories across with gusto and glee.

It may give you a head start; it won't give you a headache.

Finally, we feel we should comment on the question posed by our photograph. Will there be a black Pope?

After some consultation, we've decided that this issue is best left to an even Higher Authority than The Economist.

The Economist

Banking ahead of the Budget

LONDON

ONLOOKER

Predictably, ahead of next Tuesday's Budget the equity market was fairly quiet. Up one day and down the next, share prices saw out the last week of the account with most investors sitting on their hands. The gilt market, however, had a little more to chew over with the mid-February banking figures and Barclays Bank trimming a quarter point off its base rate to 8¾ per cent.

The small reduction is reminiscent of the days of Minimum Lending Rate when the clearers regularly juggled their base rates. Barclays presented the cut as a change of policy towards finer tuning of its base rate in line with money market conditions. Other clearers, however, did not feel obliged to follow Barclays' lead.

As the latest money supply figures showed, the building societies are still collecting investors at the expense of the banks and Barclays has had to cut its lending rate while holding its deposit rates steady. Perhaps faced with mountainous bad debt provisions and the unknowns of the Chancellor's statement next week, it was more than the other bankers could face to take a knife to their profit margins at this stage.

With the banks' reporting season falling almost on top of the Chancellor's Budget it was tempting to look for political influences at work within the clearers' statements. There are so many permutations that the Chancellor might come up with next week it is impossible to assess what bank shares might be worth in a week's time. But from the bankers' point of view this was probably not the week to be unveiling some eye-catching profit numbers. Not that they had much opportunity to do so anyway.

Nevertheless the more cynical minded raised a eyebrow when Barclays, the largest of the four British clearers, got the season under way. After record bad debt provisions of £475m against £328m, pre-tax profits at Barclays came out at £557m—£62m up on the previous 12 months. Everyone was well aware that bad debt provisions were again going to carve a great chunk out of 1983 banking profits. Yet Barclays' second half boost to its general provision, lifting the full year charge to £55m, smacked of a conservative approach to its stated profits.

And as if to signal to the Chancellor that banks are already taxed enough, Barclay's charge for the year rose by two-thirds to £220m. The explanation for that increase is that leasing business, which Barclays in common with the other clearers had been using to shelter its profits from corporation tax, has started to run out of steam.

There was at least one pleasant surprise from Barclays. The U.S. recovery was far more extensive than the market had been expecting with losses of £16m turned into profits of £35m last year. The performance stood in stark contrast to Midland's shortcomings in North America. The troubles of its Californian subsidiary, Crocker National Bank, are well documented and total provisions against bad debts to farmers and property developers came out at £120m lifting *Midland's* total to £318m against £196m. Steamrollered by bad debts Midland was the only clearer to report lower pre-tax profits with a fall from £223m to £251m.

By comparison the figures from National Westminster and Lloyds look quite good, even though bad debt provisions dwarf the deductions of a few years ago. At NatWest provisions were raised from £229m to £264m on a loan book almost the same size as Barclays. And in contrast to the pattern at Barclays, NatWest's deductions declined in the closing months of the year leaving the full 12 months' profits at £503m against £439m. At the end of the day it looks as if Barclays is paying the cost for its aggressive loan strategies of a couple of years ago.

Record Fisons

As far as the Square Mile was concerned Fisons was already good for profits of £30m or more for 1983 long before the actual figures were published on Tuesday. Nevertheless a record £31.2m pre-tax was enough to give the shares another small lift upwards. It was a fitting conclusion to three years of management effort to haul Fisons out of the dark days of 1980 when profits had collapsed to under £3½m.

Milestones along the route to recovery have included the sale of the fertiliser division to Norsk Hydro for £50m, the stumping up by shareholders of nearly £28m for more shares in a rights issue a year ago, and the disposal of the joint venture agrochemicals business with Boots to Schering of Germany for another £120m (£60m apiece for the British pair), while in has come U.S. health care company, Curtin Matheson, for £50m financed by shares.

A balance sheet that was badly stretched at the end of 1980 is now fair glowing with health, and is virtually ungeared. In fact the second half recorded interest receivable of £100,000 after a £3.9m bill in the first six months. The name of the game in the City now is to spot Fison's next major move.

The Curtin Matheson purchase last month largely left the City pundits cold. They had been hoping Fisons would stride forward with a major pharmaceuticals purchase. After all, the share price had risen from a little over £1 in 1981 to just under £8 recently, thanks to the new image as a go-go pharmaceuticals stock — albeit a minnow in that particular pool.

The next move might satisfy the City's appetite for a deeper pharmaceuticals involvement. Fisons is hardly restrained by a lack of cash, and the next purchase could be the quantum leap that analysts had been looking for earlier. Fisons also has enough City goodwill to back up a major acquisition with another rights call if need be.

Unilever

Unilever may sometimes be dubbed as a lumbering giant, but the 1983 figures out this week showed some fairly rapid — if long overdue — movement in the U.S. Pre-tax profits rose by £43m to £768m, a result achieved after £11m of adverse currency costs and £48m of restructuring charges.

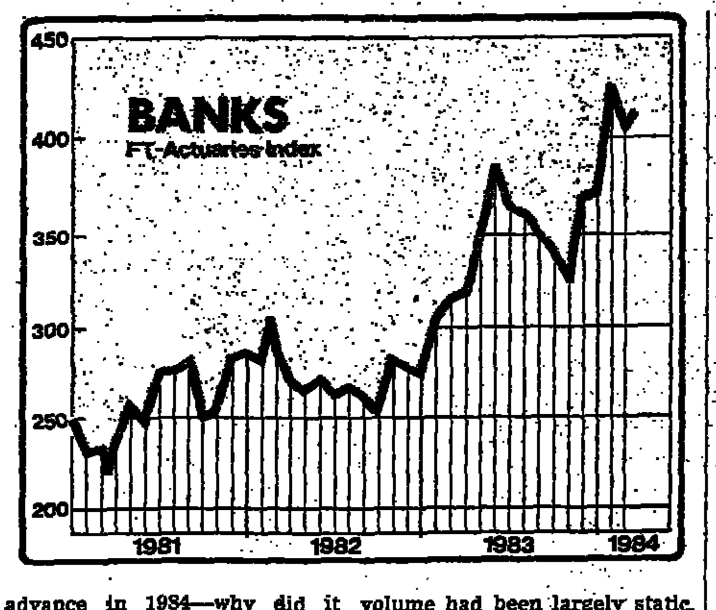
In North America profits climbed by nearly 40 per cent to £140m. After seven years of losses a small profit from Lever Brothers, following some deep surgery, was the key factor behind the upturn, even though promotional expenditure was sharply up for the year.

Yet if Unilever management deserves some credit for finally getting the U.S. operations right—the hope is that there will be another significant advance in 1984—why did it take them so long? They appeared equally slow in tackling the problems of Walls Meats in the UK which had also been trading in the red for years before returning to a profit in 1983.

Management actions, or inactions, aside Unilever benefitted from the general economic upswing. Volume was showing a 2 per cent decline in the first quarter but by the final quarter growth was running at 4 per cent leaving the full year 2 per cent ahead overall. In the previous year volume had been largely static.

The cycle appears to be still heading modestly upwards and if the important European markets can keep up the momentum and the U.S. continues to stride forward as expected Unilever could be heading for profits of £850m or more for 1984. Meantime with net liquid funds of around £500m the group must be running a slide rule over some likely acquisitions, and most likely the numbers it is looking at have dollar signs in front.

Terry Garrett



MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983/4 High	1983/4 Low	
F.T. Ind. Ord. Index	840.9	+ 2.0	841.6	598.4	Edging higher awaiting Budget
Allebone	40	+ 8	44	21	Footwear price rise forecast
BTR	469	+26	477	252	U.S. buying
Braithwaite	153	−19	200	120	Lower earnings forecast
Britoil	235	−17	258	157	Prelims, due March 23
Caird (A.)	52	− 8	84	40	Irregularities at subsidiary
Carlton Inds.	210	+50	210	110	Hawker bids for minority
Cole	167	+37	180	118	Robert Moss stake
Cons. Murchison	925	+125	925	315	Johannesburg buying
Davies and Metcalfe A	77	−16	98	43	Annual profits setback
Francis Inds.	120	+21	122	24	Bid discussions with Suter
HTV N/V	256	+20	258	136	Booming TV advertising revenue
Hongkong Tin	900	+325	£10	525	Rumoured assets injection
House of Fraser	268	−16	290	150	U.S. bid denial
Lloyds Bank	612	+40	625	395	Annual results/scrip-issue
Makin (J. & J.)	485	+270	485	143	Bid from J. Bibby
Needlers	76	+13	76	48½	Good annual results
Sharpe (W. N.)	497	+147	497	265	Tentative bid from Octopus
Systems Designers	670	+125	670	293	Good annual results
TI	274	+26	278	130	Demand ahead of results

Running scared

NEW YORK

TERRY DODSWORTH

PRESIDENT REAGAN must be beginning to pray that someone, sometime soon, will rid him of that troublesome arch-priest of fiscal restraint, Mr Paul Volcker. Having first put the skids under the capital markets a couple of months ago, and added to the slide by further dire warnings in late February, the Federal Reserve Board chairman gave them a further push downhill this week with yet another blistering attack on the budget deficit.

The consequent rise in interest rates has been too much for equities which continued to slip back this week to lose most of the gain from the late February rally.

The direction over the past two weeks has not been entirely one way, however. Trading has been light, and the institutions conspicuous by their absence, but small investors appear reluctant to give up the market in a period of still promising economic growth. The Wall Street professionals themselves, indeed, are somewhat split on the issue of where the market is going in the medium term.

The chartists have been poring over their diagrams and discovering support levels that are still a good 150 points below the present level of the Dow Jones Industrial Average. Yet, Merrill Lynch, which stuck its head out and promptly had it chopped off with brave predictions of a 1,400 Dow in January, has returned to the fray. It now believes that the index could rally back from bottom some time in the first half of this year up to a new high in 1985; and E. S. Hutton, which has been consistently bullish on corporate profits, is still sticking to its forecast trading range for the Dow of between 1,100 and 1,400 this year. It sees present market levels as a buying opportunity, particularly for stable blue chips like Citicorp, whose earnings are forecast to rise from $6.11 a share to $7 in 1984, IBM (from $9.04 to $10.50), and ITT (from $4.45 to $5.40).

For the moment, however, equities are pretty clearly in the grip of the credit markets which, in turn, appear to be totally in the grasp of Mr Volcker. The precise details of what the Fed chairman is up to are a matter of speculation: some money market specialists believe that the Fed has already started to tighten its monetary policy, while others argue that it is merely maintaining a steady line. But Mr Volcker's public homilies have produced a situation where it is sentiment that counts most, and with rates trending upwards, the equity market is being driven inexorably down, propelled by fears of an aborted recovery.

The most effective support for the market over the past two weeks has come from the rather dubious, or at least less dependable, area of speculation, with the oil sector in particular giving Wall Street plenty of excitement.

One of the mainstays to this activity was swept away this week with Gulf acceptance of the $13.2bn bid from Standard Oil of California, after its long battle to avoid takeover from elsewhere; and yet another prop was knocked away almost at the same time, when Texaco bought out the Bass family's burgeoning stake for a cool $1.28bn in cash and preferred stock.

Both transactions have shown what a strong nerve, access to cash, and predatory ambitions can do. At Gulf, Mr T. Boone Pickens, chairman of Mesa Petroleum, who started the attack on the company in the first place by suggesting that it should be re-organised into an oil trust, is reckoned to have walked away with a $760m net profit for his investment group on the deal.

The Bass family has perhaps made $300m net. But these gains have only been achieved because oil shares are trading at a discount to their realisable reserve values — a discount which reflects the current low demand for oil products but is also partly explained by the conventional view that Washington would not look kindly on large mergers in the industry.

That theory was partially blown away when the anti-trust authorities allowed Texaco to go ahead with its successful bid for Getty Oil earlier this year. The result has been a heavy bout of speculation in oil shares, with investors homing in on second division favourites such as Superior Oil, Phillips Petroleum, both trading near their 12 months' high.

A reaction set in this week, however, as rumblings against big oil began to emerge again from Washington, where the industry has been under suspicion since the development of the greatoil trusts at the turn of the century. Gulf, for example, for which Socal is offering $80 a share, fell $4¼ on Wednesday, to $64⅞ and 5m shares changed hands as investors took their profits and ran in the fear that Congress might block the bid. Superior Oil similarly slipped $1¼ to $39 and Unocal, Sun, and Louisiana Land, all takeover speculations over the last few weeks, fell back under the same pressures. Investors and arbitrageurs now have an anxious wait ahead of them, as the Federal Trade Commission decides whether to let the Socal bid go ahead.

MONDAY	1165.20	− 6.28
TUESDAY	1152.53	−12.67
WEDNESDAY	1143.63	− 8.90
THURSDAY	1147.09	+ 3.46

A creature of many moods

THE MARKET is a fickle creature and as any stockbroker will tell you it pays to take her many moods seriously even though you may feel that her heart rules her head at times. At the moment The Market favours South African gold shares.

Many other observers of bullion remain cautious about the prospects of any sustained rise in its price which, so far this year, has been running below the 1983 average.

The Market, however, feels that it is right to maintain a holding of gold shares while there are worries about the size of the U.S. budget deficit, possibilities of a further fall in the value of the dollar and an increase in U.S. inflation.

So when the gold price moved sharply ahead on Monday to $408 per ounce at one time, gold shares responded smartly and our Gold Mines index jumped 31.2 to 704.7, its highest level for just over a year.

The gold price then slipped back below $400 but share prices were reluctant to give up much of their earlier rise and they moved strongly forward yesterday when bullion again rose above $400.

The rise in gold share prices has lifted the market value of investments held by **Consolidated Gold Fields** to £1.05bn above their book value. At December 31 this surplus was £790.3m and six months earlier at June 30 1983, it was £956.1m.

But the 82 per cent recovery in earnings of the UK mining and industrial group to £25.3m reported this week for the six months to end-1983 was largely a reflection of a good performance at the UK and U.S. building materials divisions. Revenue from the important South African gold interests was virtually unchanged.

Gold Fields also benefited from turnrounds to profits from losses at its manufacturing and commercial activities, notably in the U.S. steel-related businesses, and at the *Australian* **Renison Goldfields Consolidated** *arm*.

The latter has found itself on the receiving end of a boom in demand for mineral sands which, among other things, provide pigments for use in the reviving U.S. construction industry.

Gold Fields' recovery has come from a previously depressed level and Mr Rudolph Agnew, the chairman, has pointed out that this pace cannot be anything like maintained in the current half, especially with many base metal prices still depressed. The shares, however, with a price discount to assets of some 35 per cent remain a hold for better things in 1984-85.

A useful recovery in earnings has also been achieved at **Anglo American Gold Investment ("Amgold")**, the **Anglo American Corporation** group's big South African gold share investment company. For the year to February 29 earnings have risen to R238.6m (£163.4m) from R195.6m and the dividend total has been restored to 1,025 cents from 860 cents.

Although the gold price was falling last year in terms of U.S. dollars, the South African mines saw a much smaller fall in their revenue thanks to the favourable rand-dollar exchange rate for their gold sales.

Since then the rate has become less favourable with the easing in the value of the dollar and, of course, the dollar price of gold has also come down.

On the face of it, therefore, Amgold may not do so well this year, but these are early days and any further fall in the dollar will probably be offset by a rise in the dollar gold price. Here again, the shares have a good discount to assets and remain a hold.

The Afrikaner-controlled **General Mining Union Corporation (Gencor)** is also marking time at the moment. Second only in the South African mining and industrial scene to Anglo American, Gencor has raised 1983 earnings to a better than expected R305.4m from R267.4m and increased the dividend to 190 cents from 175 cents.

Industrial earnings did well in the face of the recession in the Republic, notably at the Sappi paper group and at the

MINING

KENNETH MARSTON

Darling and Hodgson engineering arm. Precious metals and uranium also earned more but other minerals and coal fell on harder times.

Gencor may continue to improve in the current year, but the group's finances are strained and a new share issue may be on the cards. The Market does not always care for "rights" issues and the share price may remain subdued until it is known what measures are to be taken to increase Gencor's liquidity.

The Market is not too keen on base metal issues, either, at the moment, especially those in Australia. She is unnerved there by the upsets on Wall Street, the firmness of the Australian dollar against that of the U.S. in which metals are priced, local selling to raise funds for tax purposes, the possibility of higher interest rates and the low levels of many metal prices.

But moods change and that of her sister, Metals Market, has been brightening this week. Rising prices have been seen in the cases of copper, lead, zinc, nickel and the steel industry speciality metal, cobalt.

They may be only straws in the wind, but they could be an indication that at long last economic recovery is getting through to the important capital goods sector. America's **Amax** thinks so and is now reopening its Climax molybdenum mine in Colorado in order to rebuild stocks of the steel industry metal even though prices remain low.

In Canada, the big nickel-producing **Inco** has said that after having suffered heavy losses for the past three years it thinks that there will be a return to profitability after the current quarter. Inco points out that although nickel prices remain low, demand for the metal continues to improve and the company expects an increase of 10 per cent in t fathbota of 10 per cent in that of the Wetern world this year.

● **Rio Algom**, the Canadian arm of the **Rio Tinto-Zinc** group has trebled its 1983 net profits to C$51.1m (£27.7m). This reflects better performances at the uranium, steel manufacturing and metals distribution divisions coupled with a return to profits at the *Lornex molybdenum-copper-silver operation*.

The 1983 earnings of the parent RTZ are due next month and are confidently expected to show a sharp increase. It will be interesting to see if The Market's mood is more favourably disposed to them than it was in the case of the Australian **CRA** subsidiary when the recent announcement of a sharp recovery in fortunes was greeted by a fall in the shares of 12p to 336p.

● Now that its Haveluck gold mine is fully into its stride Australia's **Whim Creek Consolidated** is to pay a first dividend of 5 cents (3.2p). Shareholders are to be offered the tax-saving alternative of taking new shares instead and details are to be announced later. Whim Creek says future policy will be to distribute 50 per cent of net profits in annual dividends.

UK CONVERTIBLE STOCK 10/3/84

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap (+) Dear (−)◇ Current
British Land 12pc Cv 2002	9.60	382.00	333.3	80-92	3.2		− 6.1	− 8 to 1	45.8	66.3	5.0	+11.1
Hanson Trust 9½pc Cv 01-06	81.54	282.50	160.7	85-01	3.4		− 3.4	− 8 to −1	169.0	70.4	−33.7	−30.3
Slough Estates 10pc Cv 87-90	5.03	263.50	234.4	78-85	3.8		−12.8	−13 to −4	18.8	9.4	− 3.1	+ 9.7
Slough Estates 8pc Cv 91-94	24.72	125.00	97.5	80-89	6.5	4.2	− 0.6	− 3 to 3	26.9	30.3	2.8	+ 3.4

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

Yesterday there was very little to choose between unit trusts.

Yesterday.

Yesterday there were 628 unit trusts to choose from. And yesterday, there was very little to choose between them. Today, there are 629. The new one is called The Arbuthnot Portfolio Trust.

And not only is it new, it totally changes the structure of unit trusts.

Until now, you bought into a market, and you had to live with it. If the market changed, it cost you money to get out of it. And it cost you money to get into another one.

The Portfolio Trust overcomes this problem very simply. It offers you a choice of markets, and it allows you to switch between them easily and cheaply after you have held your investment for six months.

Your first switch each year is free. Subsequent switches cost £15.

Eventually there will be 9 portfolios, but we're starting with four: U.K., Japan, U.S. and Europe.

However, it's all very well being able to switch to a market that's doing well, but what if you're uncertain about all markets?

Which brings us to our second unique advantage.

The Deposit Fund.

After six months of investment you can switch into the deposit fund until things change.

Simple, *isn't it?*

So simple, in fact, that you're probably wondering why no-one's thought of it before.

To be honest, we're wondering too.

How to decide on your initial investment.

At present our investment managers favour U.K., U.S., Japan and Europe, in that order.

And, for a balanced Portfolio, we believe that you should divide your money as shown in the table below.

Spreading your Investment.

Size of Investment	Japan	US	UK	Europe
£2,500	—	1,000	1,500	—
£5,000	1,300	1,700	2,000	—
£10,000	2,500	3,000	3,500	1,000
£20,000	5,000	6,000	7,000	2,000

Over the coming months, we'll be launching four more funds to cover all the major investment sectors.

And we'll also be introducing a Portfolio Investment Guide giving our views and advice on where to invest.

Launch Price Offer.

Until 30th March 1984, units in each of the Portfolios can be bought at 50p.

After that date you can buy them at the current offer price. The estimated starting gross annual yields are 0.5% (U.K.), 0.1% (U.S.), 0.1% (Japan), and 0.1% (Europe).

We are confident that the new Arbuthnot Portfolio Trust affords an excellent opportunity to make your capital grow. But remember the price of units and the income from them can go down as well as up and it is important that you read the small print at the base of this advertisement.

Arbuthnot Portfolio Trust.

To: ARBUTHNOT FINANCIAL SERVICES LIMITED, 131, Finsbury Pavement, London EC2A 1AY. 01-628 9876.

I/We wish to invest £________(min £2,500. £1,000 per portfolio) in The Arbuthnot Portfolio Trust, and enclose my/our cheque payable to Arbuthnot Financial Services. Please apportion my investment as follows:

U.K. Portfolio £______ U.S. Portfolio £______

Japan Portfolio £______ Europe Portfolio £______

(The minimum investment per Portfolio is £1,000).

Please complete this section carefully in block capitals. Your unit certificate will be produced from this form.

Title—*Mr/Mrs/Miss*______ First Forename______

Other Initials______ Surname______

Address______

______ Postcode______

Signature(s)______

In case of joint applicants all must sign and attach their names and addresses separately.

The initial offer period is open until 30th March 1984 during which time units in each Portfolio may be bought at 50p. After this date you may buy or sell units on the first Thursday following the day we receive your instructions. Conversions are permitted after six months from the date of your investment. When you sell your units repayment will normally be made on receipt of the renounced certificate. Income after basic rate tax *is automatically accumulated and the prices of units will be adjusted to reflect this and tax statements will be sent on 31st August each year commencing 1985. The offer prices include an initial charge of 3½% and an annual charge of 2½% plus VAT (¾% for the Deposit Fund) is deducted from the* gross income of each Portfolio. The Managers have power under the terms of the Trust Deed to invest in Traded Options and up to 25% of a Portfolio in shares on the Unlisted Securities Market. The prices will appear daily in the Financial Times. This offer is not open to residents of the Republic of Ireland. Taxation—Leading Tax Counsel has advised the Managers that conversions should not give rise to Capital Gains Tax or Stamp Duty. Since no clearance has been obtained from the Inland Revenue, the taxation effect of switching must be considered to be open. Neither the Managers nor the Trustee can accept liability should Capital Gains Tax or Stamp Duty be payable. Trustee—Williams & Glyn's Bank plc. Managers—Arbuthnot Financial Services Limited. (Reg. in Edinburgh 55135) 25 Charlotte Square, Edinburgh.

FINANCE AND THE FAMILY

An old fur coat

BY OUR LEGAL STAFF

I purchased on February 3, 1983, a black Persian lamb coat with a mink collar for £695 which was in a sale £1,100 reduced to £795 (further reduced to £695 for cash). I was told it was a new coat. He valued this at £1,000 for the insurance company. This transaction was from a well known local furrier.

When I took this coat to another furrier to buy a hat to match, he told me it was not a new coat in fact at least five years old. Subsequently, I have had the opinion of three other furriers who confirmed this, but unfortunately none would put this in writing.

I have never worn this coat and it is now splitting and the fur is peeling. I have been all this time trying to find a furrier who would help me. I have also been to the Officer of Fair Trading and without written evidence he too can do nothing. I just want to return the coat and my money returned. Could you please advise what other course of action is open to me?

You could always try suing under the small claims procedure, but that does not mean we advise you to do so.

Resident in Isle of Man

My wife and I are considering becoming residents of the Isle of Man. Could you inform us to qualify as residents is it necessary for us to sell all our assets in Great Britain. We have shares, a shop property which is let and a house in which we are at present living. Could we lease our house in case we decide to return?

To become resident in the Isle of Man you only need to live there permanently. It seems however that you may wish to become domiciled there, in which case you would be wise to take advice on the whole matter, as each individual case depends on its own facts, and the retention of a house in England for you to return to could defeat the whole object.

T marks on plans

The plan attached to the Agreement for the sale of our house shows our property shaded pink all over with inward facing "T" marks on all four sides of the land. The Agreement requires the owners to erect and maintain suitable fences . . ." on the sides of the land marked "T" within the boundary on the plan annexed."

Are we correct in holding that the four inward facing "T" marks (the heads of the Ts pointing inwards with their feet on each of the 4 boundary lines) indicate that we own each of the four boundaries? Is the existance of such an inward "T" mark the standard and usual service used in residential property plans to indicate ownership of the boundary on which "T" mark stands?

T marks are normally employed to designate boundaries in the ownership of the proprietor of the property on whose side of the boundary the T mark stands. In your case the T marks were used to designate on which boundaries the covenanting purchaser was to erect fences. Once erected these would remain in the ownership of the proprietor of the land on the T mark side of the boundary. The presumption that you own the four boundary fences could be rebutted by evidence that someone other than the covenantor actually erected the fences (or one or more of them) on their own side of the boundary.

Infested with magpies

In your issue of December 17 under Infested with magpies advice was given to a person who wished to shoot magpies which he considered a local pest.

I recently picked up from a police station a leaflet "produced for the Home Departments by the Central Office of Information" which states, inter alia, that "it is illegal to shoot at any bird or animal unless you are an authorised person as defined by the Wildlife and Countryside Act 1981" (maximum penalty or fine £1,000). In your reply no reference was made to this, which on the face of it provides a complete answer to the inquiry.

What, please, is the explanation of this?

We had the Wildlife and Countryside Act 1981 in mind. The terminology of the Act can be misleading if it is not appreciated that "authorised person" includes the owner of the land on which the bird or animal is.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Recalming land

I have lived in my house since I bought it in August 1973. The previous owner lived here since October 1963 when the house was built by a builder, who had acquired the land earlier. As regards the land, this has a defective title in that a lease was granted to someone in September 1701 for 293 years and the lease therefore expires in September 1994. All trace of the original owner has been lost and I understand no rent has been requested, or paid, for at least 90 years.

I have an insurance policy equal to my purchase price, which would pay up in the unlikely event of the original owners heirs even appearing to claim this land. I have not updated the amount to the present value of the house estimated at £75,000.

I borrowed the cash to buy without difficulty but my problem is if I wanted to sell, a purchaser might have trouble in borrowing from say a building society, when it knows there is a lease which expires in 1994.

I would like to register the land in my name. Can this be done easily and what would it cost me to do so?

If your land falls within the compulsory registration area (Beaconsfield) you can register a possessory title to the freehold by paying the Land Registry fee: this would be a little over £100. You might, however, be wise to have a solicitor prepare the application for you, since it will require to be supported by statutory declarations. If your land is not within the compulsory registration area you can do nothing other than increase your defective title insurance.

Time ownership tax liabilities

In 1979 I purchased a number of time ownership weeks. At that time VAT of 8 per cent was paid on purchase. The selling value of these weeks now shows a capital gain of 70 per cent or around £20,000. I intend to return to live in the UK after April 1984. I have been advised if possible to establish a new higher capital value whilst non-resident and prior to return even though I wish to retain these weeks long term.

Can you please advise:

1—A suitable method to achieve this which minimises VAT.

2—Could I gift these whilst non-resident to my children who are under 18? Could they take advantage of the capital gain exemption in future years?

3—If I make these weeks available for rent after I return how can I minimise tax on rental income? Could I for example put the weeks in an offshore company with interest expenses from a loan to offset the income?

Unless you are carrying on a business which ought to be registered for VAT the disposal by you of your time share will not bring about a liability to VAT. Tax avoidance is not a practice to enter into without detailed professional advice. We cannot suggest a method to you, which is bound to achieve your objectives.

If you gave your rights to your children whilst you are non-resident they could indeed take advantage of the capital gains exemption limits when they make a disposal. However, the cost of the property to them for capital gains tax purposes will be nil. You would need to consider the capital transfer tax consequences of making any gift.

Your suggestion might work but without full details of the proposal it is not possible for us to give advice.

William Dawkins on a booming software group

CCF . . . where the action is for the bold and agile

HOT-STOCK of the week award goes to former naval architect Tim Simon's computer software group. Consultants (Computer & Financial).

Only the most bold and agile, however, are likely to have got a slice of the action when CCF's shares bounded upwards from 710p on Monday to 875p on Wednesday, settling at around 840p towards the end of the week, where the company is valued at £8.4m.

The initial impetus for the rise came from an impressive set of results. A greater number of turnkey software contracts, plus the first contributions from its new Hong Kong business helped CCF's profits multiply four-fold to £495,000 before tax in the year to last December.

But CCF's share price would not have climbed anything like so quickly were it not for the scarcity of its equity. With a free market for only 500 or so shares, the jobbers were marking up the price between 10p and 20p on every bargain. Investors lucky enough to get a look-in had to bid high to get more than a handful of stock.

In spite of the advantage that CCF has gained from the limited marketability of its shares this week, the lack of marketability would be a handicap over anything but the short term. It is at least partly with that risk in mind that the directors are proposing what will effectively be a nine-for-one scrip issue, the third scrip issue on the USM this year.

Apart from multiplying the number of shares in issue by ten, this will have no direct effect on their aggregate value. But the idea is that it will make them more marketable.

"We are simply keen to see that the level of interest in the company is matched by people's ability to get hold of our shares," Michael Enright, CCF's financial controller, explains.

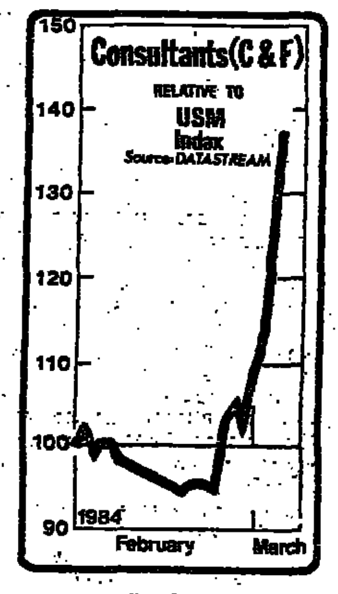
CCF's scrip issue might also help it overcome another classic USM problem. When the market is bubbling and a company is trading well, thinly traded stocks like CCF's will outperform dramatically.

But if anything should go wrong, the price might just as easily go into a hair-raising dive. Any move to broaden the market in its shares could provide valuable stabilisation in poor times.

Furthermore, there is a consensus among brokers that lower priced shares are often more easily traded on the USM. "A lot of investors tend to think more in pennies than in percentages," John Havranek of Grieveson Grant points out.

Coming as it does in the wake of six USM scrip issues last year—including Oceonics, McCarthy and Stone and Reliant motors—CCF could well be providing evidence of a trend which other USM companies with thinly traded stocks might follow, either as a way of squeezing out the best from the current bull market, or as a buffer against the weaknesses which many investors fear will emerge on the equity markets later this year.

Unlisted Securities Market



Aidcom on the fens

Jeremy Fowler: hoping for the cream from the top of the cake

AIDCOM INTERNATIONAL, the microchips to market research group, will announce shortly that it has bought a ticket to Cambridgeshire's silicon fen.

Aidcom, whose activities range from making all-weather portable microcomputers to designing those spinning multicoloured matchsticks which make up the Channel Four symbol, has acquired a 90 per cent stake in St Ives-based electronics and microprocessor development consultancy, Aim Cambridge.

The news follows Aidcom's February announcement of a 42 per cent increase in pre-tax profits to £410,000 in the year to last October and of its plans to graduate to the full market. At its current price of 36p, Aidcome is valued at £11.3m.

Aidcom is paying an initial £240,000 in cash for Aim, with up to £150,000 more to come next year, depending on profits performance. Aim employs 20 people, mostly young Cambridge post-graduates, and has a turnover of £400,000 on which it makes annual profits of around £50,000.

It will be the sixth acquisition Aidcom has made since becoming one of the first companies to join the USM three years ago. It owns another technical consultancy, DVW Microelectronics, which promptly developed the successful Husky rugged portable computer after joining the Aidcom stable in 1981.

Last year, the Husky contributed about a third of group profits and sold 700 units mostly to the oil and defence industries.

"There is no reason why Aim should not spin off another innovative product," says Jeremy Fowler, 40, Aidcom's managing director. "But that would just be the cream on top of the cake."

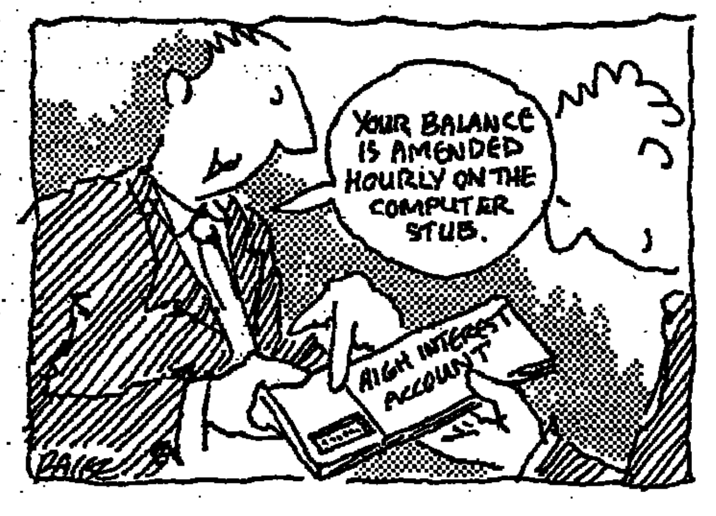
Aim's recent projects include developing automated test equipment for the Sinclair flat screen television. There could be more work from that quarter since Aim's chairman Ian Quayle and his managing director Nick King both worked with Sir Clive at Cambridge Consultants before joining their present company in the early 1970s.

W.D.

YOUR SAVINGS AND INVESTMENTS—1

Putting trust in money markets

JULIAN POLHILL looks at what could be a better deal for depositors



KEEPING ANY large sum of *money in an ordinary* clearing bank deposit account can only be justified on grounds of convenience or inertia. Money market trusts and accounts pay as much as three and a half percentage points above the banks ordinary deposit rate of 5.5 per cent for call and seven-day money, and are as safe and easy (or easier) to use.

In theory the *money* market accounts (like Save and *Prosper's*) have the flexibility to offer a slightly better rate than the trusts as they can lend out their money to a wider range of borrowers. Money placed in an account becomes part of the assets of the deposit *taker — just as with an ordinary* deposit account.

The trusts are by contrast "off balance sheet" operations. Depositors retain a direct beneficial interest in their money, which the managers pool into a trust fund and invest on the wholesale money market.

Strict rules are laid down by the Bank of England for the trusts. Assets and liabilities must be exactly matched, so the interest earned on the call *funds is simply the best rate* the managers can get in the call and overnight markets less their management fee.

Tullett and Riley's Money Market trusts and Oppenheimer Trusts—the two biggest groups of trust funds—both charge 0.5 per cent per annum, but rates are quoted net of charges.

From the savers point of view there are three major differences between trusts and accounts: security, service and size of deposit.

The security is perhaps academic, but depositors with an account are lending to just one borrower, the bank. Their only safety net in case of disaster is the statutory guarantee covering 75 per cent of balances up to £10,000. Within the trust fund, *however, the depositor* has a portfolio of risk, as the trust lends out to a number of borrowers, and his assets are kept quite separate from those of the manager.

Size of deposit and service are more to the point for most private investors. The trust *funds take deposits of £10,000* or more, though the little Mallinhall fund and Oppenheimer's High Interest Account both take *sums as* small as £1,000. Minimum withdrawals, too, are higher for trusts than *accounts: typically £500 or* £1,000.

The trusts' game is large scale cost-efficiency dealing, so services tend to be spartan. Most will deal over the telephone, and make out cheques to *third parties, but there the ser*vice stops. (The Oppenheimer High Interest Account is again the exception, being the only trust to offer a chequebook. The expense is reflected in a slightly lower yield.)

Among the "on balance sheet" accounts service is the key selling point. Trusts tend to be managed by money broking *companies as a useful sideline.* But accounts are by their very nature linked to the banks, almost obviating the need for a current account—at minimal cost.

The market is fast growing in sophistication. The first major *account launched was Tyndall's* in 1981: a straightforward high interest account with chequebook. But the real explosion came in January 1983 when Save & Prosper and Robert Fleming marketed their proto*type chequebook account which* pulled in as much as £240m, followed closely by six other funds. Minimum balances have stayed around £1,000 or £2,500, but *minimum withdrawals* are down to £250 in many cases, with, typically, one cheque a *month* for even lower sums—allowing the accounts to be married in easily with ordinary current accounts.

The range of accounts, too, has expanded to reach both the small investor and the top end of the market. The problem for groups trying to move downmarket, notably the big unit trust management companies, is to do so without increasing costs. Though high interest *accounts do not have the over*heads of the clearing banks and their branch networks, large scale cheque-clearing is uneconomic. The solution adopted by Britannia/Cater Allen and Bank of Scotland is to issue a VISA card *with their accounts,* and one "no minimum" withdrawal a month to service it—almost obviating the need for a current account—at minimal cost.

The upmarket accounts have already tackled overdrafts—if the investor has substantial unit trust or investment funds with the creditor. Schroder Wagg's Special Account, launched recently, *offers* investors with more than £10,000 in Schroder unit trusts or investment funds a secured overdraft facility for a set up fee of £15, following in the footsteps of Hambro Life's grandly named Financial Management Programme. Schroder have also added *two useful extras for* high taxpayers.

Depositors can opt for annual rather than monthly crediting of interest, the benefit being that any tax on that income will be delayed to the following year. *Secondly, as with the Hambro* Life package, if the account swings between credit and debt during the fiscal year, interest charged can be offset against interest earned.

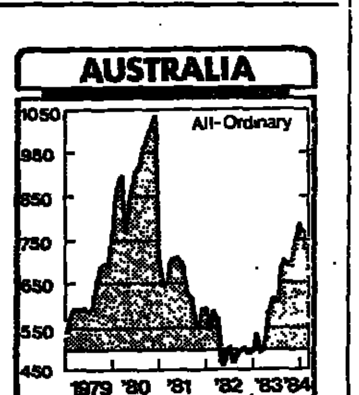
Intriguingly, while other *groups are developing* ever more elaborate packages, M and G and their major shareholder Kleinwort Benson have stuck to the basics with their recent High *Interest Cheque Account.* The fund is offering a high rate of interest, 9.1 *per cent,* compounded daily to give an APR of 9.5 per cent—well above the competition. The truly canny investor should switch from *launch to launch: interest rates* paid by the funds tend to be very competitive at first, and fall back once sufficient funds are under management.

M & G are not expecting the dramatic growth ex*perienced by Save and Prosper.* But then all the money market funds are finding *it hard at* present to yield gross what the building societies can yield *net* of basic rate tax.

In an increasingly competitive savings market, the clearers will have to join the *race: the Midland did so last* month, with its own high interest cheque account.

WORLD STOCK MARKETS

Plunder down under



PLOTTED ON a graph, the performance of the Australian share market for the past three years shows an alpine vista of two peaks separated by a gloomy valley.

The graph does not show, however, the change in emphasis from a market driven to its November 1980 high by a boom in resources to one perched, somewhat precariously in recent weeks, on an industrial base.

Also hidden is the remarkable and unabating corporate plundering which has become a hallmark of the Australian market as those with vigour have expanded through acquisition at a rate of one to two take-overs a week.

At last count at the end of February, the market's total capitalisation stood at A$84.84bn.

Of that capitalisation, the resources related stocks (including BHP, which singlehanded accounts for over 7 per cent of the total market, made up close to half the valuation.

As a further indication of the nature of the market, the 50 leading stocks accounted for some 70 per cent of market worth, while the 10 largest stocks (excluding those more than one-third owned by another Australian listed company) made up almost 30 per cent.

The single biggest market segment is metals, with around a quarter of total capitalisation. As the heavy resources weightings suggests, the Australian share market does not lack volatility, responding in many cases in direct relation to the conditions in the metals and coal markets.

A further strand of volatility comes from the 200 small exploration groups chipping and drilling away at the Australian landscape and multiplying their share price with each success.

Another major aspect of the market is the take-over arena, where industrial equity, Adelaide Steamship, Bell Group, Bond Corporation and Elders have established themselves as the driving forces behind the rationalisation of corporate ownership.

*While these essentially specu*lative areas provide potential for capital gains, on the industrial front the market is traditionally yield-based, and 400 of the 1,000 companies on the share lists are regular dividend payers. The average annual yield during January was 5.32 per cent, having peaked at 7.67 per cent in December 1982.

In the resources area, dividends are erratic because of the exploratory nature of many of the smaller groups and the dramatic shifts in profits brought on by changes in world commodity prices.

Among industrial stocks, the upward trend for dividends has stalled, although payout ratios are generally around 50 per cent of per share earnings.

The Industrial Sector Index has been above its previous record level since May last year and as the yield variations suggests, there is much expectation in current share prices. The resource index remains more than 200 points from its November 1980 peak of 836.9 trapped by world commodity prices.

For the moment dealing in the markets is handled by unincorporated stockbroking firms. April 1 will mark the introduction of negotiated rates brokerage.

However, dealing charges on the first A$100,000 of a trade will remain fixed at current rates, which are A$5 initial fee, 2.5 per cent on the first A$5,000, 2 per cent on the next A$10,000, 1.5 per cent on the next A$35,000.

There is also stamp duty on transactions at 0.3 per cent and dividends carry a 10 per cent withholding tax. There is no capital gains tax.

There is no formal settlement period in the Australian market with payment made against documents. For the individual UK investor payment *is made against contract note.*

Such is the traditional importance of the UK investment to the Australian market, a dozen Australian brokers have offices in London and most of the rest have relationships with one or more UK brokers. Also, more than a dozen Australian stocks are listed in London.

The brokers with offices in London are:—A. C. Goode and Co., 1 Founders Court, Lothbury: Bain and Co., 128-129 Cheapside; Jackson Graham Moore and Partners, 65 London Wall: Lamploughs, 39-41 New Broad Street: MacNab Clarke and Partners, 6-7 Queen Street: McCaughan Dyson and Co., 3 Bow Lane: McIntosh Griffin Hamson, 15 New Bridge Street: Meares and Philips, Warnford Court, Throgmorton Street: Ord Minnett, 1 College Hill; Potter Partners, 16 St Helens Place: Rivkin and Co., 7A Laurence Pountney Hill; and J. B. Were and Son, 10 Old Jewry.

Three unit trusts have established solid performance records from investment in Australia. These are managed by M & G, Barclays Unicorn and Henderson. Last year, four new funds were set up by HK, Stewart, Target and Tyndall.

NEXT WEEK: Hong Kong

Lachlan Drummond

YOUR SAVINGS AND INVESTMENTS—2

TAXATION

Happy returns from the Revenue

CLIVE WOLMAN takes a pre-Budget look at a report which gives some comfort to harassed taxpayers

THE MOST popular opening gambit featured in the scripts which life assurance salesmen used to learn before being unleashed on an unsuspecting public was: "Would you like some advice in how to save tax?"

Make extravagant claims about the investment abilities of your fund managers, and your average British citizen will react sceptically, the market research boys would report.

But everyone, even your run-of-the-mill council tenant, knows that there are lots of tax dodges around, which they are missing out on. Make your victim feel as though you are letting him into a secret and you can sell him anything.

A report published this week by the Institute of Fiscal Studies on the taxation of savings shows that the run-of-the-mill council tenant is right, at least in part.

As John Hills of the IFS, who conducted the study, said: "The range of tax privileges and penalties is so great that it is far more important to look at these when choosing an investment than at the pre-tax rates of return."

In fact for basic-rate taxpayers, the most tax-privileged form of investment over the past five years has been a 10-year life assurance contract — but only if the insurance element in the contract is kept close to the legal minimum and the investment element to the maximum, and if you cash in the contract after four years and a day.

For top-rate taxpayers, buying a house with a mortgage up to the £25,000 or £30,000 ceiling for tax relief has been the most fiscally privileged form of investment over the past decade.

In the current tax year to April however — and probably in the next few tax years as well — the greatest tax privileges have been awarded to investment in the newly-raised capital of unquoted companies under the Business Expansion Scheme.

The IFS study shows that the total value of the tax breaks are many times greater than those granted to any other form of investment for top rate taxpayers, because the investment can be offset against the individual's top rate of tax. But even for basic rate tax payers, the BES outstrips by far any other form of investment in terms of its tax privileges.

The other major tax-privileged forms of saving and investment are pension contributions and National Savings accounts.

At the other end of the scale are building society and bank deposit accounts, which suffer among the severest form of fiscal penalty, unit trusts, investment trusts and, to a lesser extent, shares.

But being granted the greatest fiscal privilege does not necessarily mean that the investment offers the best post-tax rate of return. For example, in some cases, investment directly in a unit trust, in spite of the tax penalties involved, has given as good or better return than investment in a unit-linked life assurance contract with the same management group—at least for basic-rate taxpayers.

Fiscal privileges often fail to be passed on to the customer. In the case of life assurance contracts, they are largely swallowed up by heavy commission payments to salesmen. Also the costs of cashing in a 10-year insurance policy after four years may be prohibitively expensive if there is a large surrender penalty.

Sometimes, too, the benefits of tax privileges or the burdens of tax penalties are partly passed on from the investor, who provides the funds, to the recipients of the funds and vice versa.

For example, many of the benefits of the Business Expansion Scheme are passed on, as they were designed to be, from the investor to smaller companies who are able to raise capital more cheaply than they could in the past.

Some of the benefits, too, will be passed on as they were not designed to be, to companies whose prospects do not justify any injection of capital, and also to the promoters and managers of BES funds which spread investments between several companies.

On the other side, building society accounts are not as unattractive an investment as they may appear to be from the degree of tax penalty to which they are subject, according to Mr Hill's study. This is because some of the benefits granted to those taking out home loans from a building society are passed on to building society investors in the form of higher interest rates.

Another finding of the study, which has more practical relevance for investors, is the way in which inflation transforms the tax privileges granted to different investment media. In most cases, inflation reduces the tax privileges or increases the tax penalties of an investment.

This is often because tax is imposed on nominal interest rates, as if it were an "investment income," when in fact interest rates are set so high merely to compensate for inflation. Particularly vulnerable are building society and bank accounts.

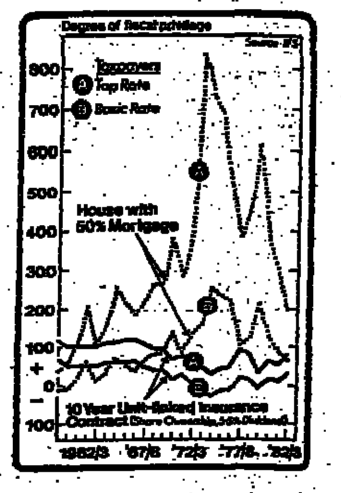
But for mortgages, inflation has the opposite effect as the mortgager can claim tax relief on the full nominal rate of interest. Mr Hills rightly points out that when taking a decision on where to invest, you frequently have to gamble on what future inflation rates will be.

But the size of the gamble can be reduced by investing in assets sensitive to inflation in different directions. If your only investment is in a house, with a large mortgage of up to £30,000, then you will benefit greatly from an upsurge of inflation—or suffer if inflation is squeezed out of the system.

But this sensitivity to the disadvantages of low inflation can be neutralised if you invest part of your money in assets which will give you an above-average return if inflation falls further. The most obvious such asset is the gilt-edged security with a maturity date several years away which, for higher-taxpayers, should bear a low coupon.

By this means, you can actually turn the riskiness of investing in medium- and long-dated gilts to your advantage.

When deciding whether you are over-exposed to the risks of either high or low inflation, you must also take into account your indirect investments. In particular, insurance companies often invest heavily in gilt-edged securities. So the real return (after inflation-adjustment) you can expect from a with-profits endowment policy is vulnerable to an upsurge in inflation.



Fiscal privilege measures the difference between the effective tax rate imposed on the pre-tax real (inflation-adjusted) return on an asset and the owner's marginal tax rate.

Who are the champions

A NEW publication which aims to take the sweat out of searching through hundreds of different building society accounts to find the best paying investment opportunities has been launched this week by Information Presentation, the publishers and financial services company.

The first edition of *The Best of Building Society Investments* was published yesterday. It aims to identify top yielding accounts to suit the needs of various categories of investors.

The booklet at £9.50 (the first issue costs only £3.95 with a money-back guarantee for dissatisfied customers) will be published once a month. An annual subscription is £95.

The guide consists of a series of league tables showing best paying accounts depending upon whether investors want to withdraw the interest or roll it up in their account. growth. Ratings also depend upon how long investors expect to keep money in an account and upon whether interest is paid monthly, half yearly or annually.

Separate tables are published showing league positions for all societies and for societies with assets of £1bn or more. League positions also vary depending upon how much notice investors are expected to give before withdrawing money from an account.

For example the guide says investors wanting to boost income, prepared to accept two months notice of withdrawal, and expecting to keep money in their account for two years would currently get the best rate of return from high yield term shares offered by Leek United Building Society.

Among the larger societies the best rate of return on two-year money with two months notice of withdrawal is being offered by Yorkshire building society.

Information Presentation, in addition to its monthly guide, also offers a personal monitoring service. For £19.50 a year the company will analyse individual investors' requirements and attempt to match these with the best available building society investments. It offers a free monitoring report to purchasers of the first edition of its new publication.

Any money paid into building society accounts through Information Presentation's sister company, Secure Capital Services, will be eligible for half a percentage point extra interest (up to £100) payable by Secure Capital Services after six months.

Secure Capital Services hopes that by channelling money into societies it will boost goodwill and aid the company's mortgage brokerage business.

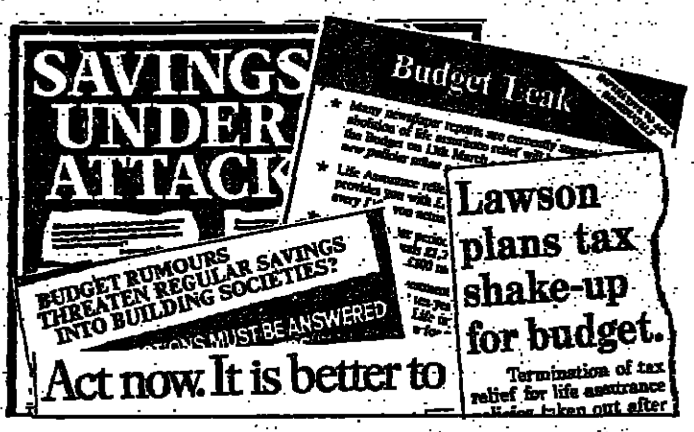
Mr Roy Chadwick, managing director of Information Presentation says the new guide will save investors a great deal of time and effort finding their way through the mass of different savings schemes offered by building societies. He says there will be no difficulty in keeping up-to-date with changing interest rates.

"Naturally some building societies whose facilities do not make the top ten do not want this information disseminated but most societies have been very helpful," Mr Chadwick says.

● *The Best of Building Society Investments £3.95, Information Presentation Ltd., 30 Fleet Street, London EC4M 4YA.*

Andrew Taylor

Beating the Budget



INSURANCE COMPANIES are enjoying a mini-boom in their life assurance business in the last few days of the run-up to next Tuesday's Budget.

Business has been boosted by fears that the Chancellor is poised to abolish or reduce tax relief on life assurance premiums, affecting a wide range of insurance-linked savings schemes.

House buyers in the process of arranging endowment mortgages have also been seeking to speed up negotiations ahead of next week's Budget statement.

Investors' concern has been fuelled by a series of reports and advertisements placed in national newspapers over the last week by insurance companies warning of the possible abolition of the 15 per cent Life Assurance Premium Relief (LAPR).

Lloyds Life Assurance says business has picked up sharply since it started advertising last Saturday. Mr Mike Gordon, marketing director, says business during the run-up to the Budget could be almost double the norm for this time of the year.

Albany Life estimates that life business in two of its sales divisions has risen by around 80 per cent during two days of this week.

Mr Trevor Wey, technical and administration director of Southampton-based Skandia Life Assurance, says staff at Skandia will be working overtime this weekend to process new business ahead of next Tuesday.

"Business has increased and trade has been influenced by fears about losing tax relief on new policies, but it is difficult to say how much this has been a factor," Mr Wey says.

Mr David Summers, manager of the Fleet Street branch of Woolwich Equitable Building Society says borrowers have been anxious to conclude endowment mortgages ahead of next Tuesday—even though some sales are still a long way from being completed and properties have not even been surveyed.

"Provided first premiums are paid insurance companies are being helpful in extending the cooling-off period during which borrowers can cancel agreements and get their money back. In one case the cooling off period has been extended until June," Mr Summers says.

Leeds Permanent Building Society has estimated that a decision to drop tax relief on insurance premiums would increase the monthly cost of a £20,000 endowment mortgage, over 25 years, by £4.25 from £161 to £165.25.

Any move to cut tax relief on life asurance premiums could encourage borrowers to opt for straight repayment mortgages.

Insurance companies have been making great play in their advertising campaign of the existence of a statutory 10 days cooling off period. This would allow customers to cancel agreements, with no loss, should the Chancellor decide to leave life assurance tax relief untouched.

A.T.

YOUR SAVINGS AND INVESTMENTS—3

UNIT TRUSTS

First of a new generation

CLIVE WOLMAN reviews a new fund in which you, and not the managers, decide

IF YOU like the idea of surveying the global scene and switching your money back and forth between the U.S., Japan the UK and Western Europe, you might be interested in a new-style unit trust launched this week. Its managers are calling it "the first of a new generation."

But you had better be sure you will either get a kick out of the process or at least make money from it, because the annual management fees charged on this unit trust have been set at a record high of 2½ per cent.

The new feature of the Arbuthnot Portfolio Trust is that you, rather than the unit trust manager, decide which stockmarkets you want to invest in and when—all within the structure of a single fund. You can even park your money on deposit within the fund if you are pessimistic about all the stockmarkets.

This means that for one switcharound each year you do not have to pay any switching charges. These would normally reduce your assets by about 5 per cent if the switch was between funds in the same group. If you wish to switch more than once in a year, you pay a fixed charge but of only £15.

Another likely bonus is that you will not crystallise any liability to capital gains tax when you switch. That, at least, is the opinion of a tax expert Arbuthnot has consulted. But the Inland Revenue has, unsurprisingly, declined to confirm this view.

For most people, however, these advantages will be nullified by the hefty annual charges that the fund is imposing. One reason for the high charges is that Arbuthnot Securities will be paying the broker or adviser who sold you the units an annual *commission* for as long as you keep them.

This is in defiance of the rules restricting commissions which are laid down by the Unit Trust Association. Consequently, Arbuthnot has been forced to resign from the UTA.

Arbuthnot says the advisers require continuing commissions for the work they do in watching portfolios and switching. But if you're going to let a unit trust adviser decide when and where to switch your money within the Arbuthnot fund, you may as well let the professional manager of a unit trust do it by putting your money into a general international equity fund which he will manage. The charges you pay will be much lower.

The Arbuthnot annual charges are 1 per cent higher than the next highest charges imposed by any unit trust, although its initial charges are currently lower.

Until November 1979, the Government restricted the annual charges effectively to about ½ per cent per year.

But several unit trust management groups have remarked recently on how insensitive unit trust investors appear to be to increases in their charges.

When one group raises its charges on a fund or launches a new fund with higher charges, without suffering any decline in popularity, other fund management groups look around them and decide they had better do the same.

One consequence has been that the profit margins on managing unit trusts have been far greater than those on any other sort of investment management. This in turn has been a major factor in inducing so many other financial service groups to enter the field of unit trust management *over* the last year.

In the absence of any controls imposed either from the outside or by the unit trust groups themselves, their upward pressure can be counteracted only if investors become more price conscious and shop around to find the cheapest product.

It is *often claimed* that the management charges are small in comparison with the difference between a poor investment performance and a good one. Therefore, it is not worth trying to get in on the cheap.

It is certainly true that there are a number of poor and unprofessional investment managers and management groups around — although they are often not those with the lowest charges.

Using their services could cost you dear, if only because they may take on unjustifiably high risks with your money—or waste much of it through overtrading in shares.

But once the black sheep have been weeded out, it becomes much more difficult to decide *which unit trust management* group is likely to out-perform the others, or at least to out-perform the market average.

Management charges are the only figures you can enter with certainty into your profit-and-loss account for next year. Everything else is speculation.

For this reason we are publishing a table of unit trust management charges against which you can compare the charges of any particular fund in which you are considering an investment.

We have sufficient space to provide details of only the largest 30 management groups, but this covers a fairly representative sample.

In general, higher charges can be expected from unit trusts investing primarily overseas, and those investing in a specialised sector of the stock market, such as smaller companies. Lower-than-average charges should be expected from broadly-based UK equity funds and even lower charges from funds investing in gilt-edged securities.

UNIT TRUST MANAGEMENT GROUPS
(ranked in order of size)

Manager	Initial charge %	Annual charge %	Size £m
Save & Prosper	5	*0.375–1.0*	*n/a*
M & G	5	0.5–0.75	1,418
Allied Hambro	5	0.75	1,066
Barclays Unicorn	5	*0.75–1.0*	800
Henderson	5.25	0.50–1.25	578
Britannia	5–5.25	0.75–1.25	556.5
Schroder	5	0.75	500
TSB Trust Company	5	0.75	447
Hill Samuel	3.75–5	0.50	391
Target	5	0.75–1.25	280
S. G. Warburg (Mercury)	5	0.75–1.0	249.6
Gartmore	5.25	0.75	213.6
Lloyds Bank	5	0.75–1.0	212.8
Abbey Life Group	5	0.375–1.50	200
Framlington	5	0.50	200 (approx)
G.T.	5	0.50–1.50	193.5
Grievson	1.50	0.50	188.4
Tyndall	2–5	0.75–1.0	178
Prudential	3–5	0.375	169.6
Guardian Royal Exchange	3.25–5	0.75	163.9
National Westminster	5	0.75	152
Fidelity International	3–5	0.75–1.25	140 (approx)
Equity & Law	5	0.375–0.75	131
Midland Bank	5	0.50–0.75	117
Norwich General	5	0.375	110.2
Crescent	5	0.75–1.0	104
Perpetual	5–5.25	0.75–1.0	85
Oppenheimer	5	0.75–1.0	80
Arbuthnot	5–5.25	0.375–1.50	76
Aitken Hume	5–5.25	0.75–1.25	66

Bumpy outlook for tax avoiders

A MAJOR decision of the Lords four weeks ago in a tax case has cast doubt on the legality and *efficacy of a wide variety of tax* avoidance devices used often as a matter of course

On a wide interpretation of the ruling, even the humble *covenant used by parents to* support students could be under threat if making a covenant was considered part of a composite transaction — although the Inland Revenue assists in this form of tax avoidance by supplying standard covenant forms.

At a conference on the implications of the ruling organised yesterday by the Institute of Fiscal Studies, all the accountants and lawyers who spoke made it clear that these doubts are likely to persist for several years.

Mr John Isaac, deputy chairman of the Board of the Inland Revenue, however, made a conciliatory statement. He said that individual tax inspectors around the country must consult with head office in Somerset House before seeking to apply any principles in the case against a taxpayer.

Nevertheless, several tax inspectors have already made references to the deadly case when writing letters to taxpayers. So if, in any disputes over the next few months, your tax inspector slips in a menacing reference to *Furniss v Dawson*, ask him whether he's checked with his boss.

The uncertainty created by the case cuts both ways. It is *possible that if* the courts interpret the new principle restrictively, even some of the more convoluted and artificial schemes around, for example a recent one to avoid the payment of stamp duty on the purchase of a house, might be unaffected.

The stamp duty dodge may escape, some experts believe, because of the difficulty of applying the principle to the taxation of a document.

*If the correct document con*veying a house at its full value does not exist because it has been by-passed, then it cannot be stamped and taxed. So if you're desperate and do not mind a lengthy wrangle, you could try it on.

The same applies, if you want to use up before the end of the tax year, your £5,300 annual exemption from capital gains tax by selling shares and buying them back again over a weekend between Stock Exchange accounts. Provided you sell and buy back through the Stock Exchange, and preferably through separate stockbrokers, you may succeed in warding off the taxman by claiming that the transactions were not fully "pre-ordained."

Clive Wolman

PROPERTY

Shipshape on Spain's White Coast

BY JUNE FIELD

LEAVING BEHIND the tower blocks of Benidorm, with its brand new Burger Kings, and "Tea As Mother Makes It" signs, about five miles away, one comes to a cleft in the mountains along from the old fishing village of Altea.

Here on the Costa Blanca, just before Calpe with its splendid Peñon de Ifach, a volcanic rock thrusting 1,000 ft out of the water, is Sol Ingrid. This is a complex of apartments and a five-star hotel under way overlooking a yacht harbour, in a part of the Spanish coast still particularly tranquil and unspoiled.

The spectacularly sited project is mainly Arab-backed, probably the first to be so on this coast. Fitting perhaps, because the area goes back to the Moorish conquest of the early Middle Ages; the Moor's original name for Altea was Altaya, "Health for all," while Benidorm was once Benihardim.

Sol Ingrid's major shareholders are the Qassim family; the deputy chairman is Yasser Qassim, 43-year-old engineer, an Iraqi become Jordanian, Cambridge graduate with a fund of Irish jokes acquired when he supervised construction of the M6 during his early career.

The Ingrid in the company name derives from his Swedish wife, while other shareholders are a cousin of the King of Kuwait, plus the Spanish contractor Vicenti Marti and the architect Luis Mares.

The first phase of apartments are due for completion in June, the hotel at Christmas. On my visit the other week I saw the novel show-apartment, attractively designed along the lines of a ship's cabin. Everything could be stowed away neatly in lockers, from clothes to bedlinen.

The kitchen, galley-style, with no wasted space, is fully kitted out with equipment, opening on to a dining-bar complete with four stools. Sliding dors divide the living from the sleeping quarters, and there is a terrace overlooking the water.

All the apartments (one, two and three-bedroom), will be on offer as a complete package of quality items. You get the beds, the chairs, the colour television, china, cutlery, plus a barometer and ship's-style lamps, even the pictures on the wall are suitably nautical—a collection of knots and miniature fishing gear, neatly framed in glass boxes.

Prices, depending on the rate of exchange, are under £30,000 for the one bedroom, about £37,500 for the two bedroom apartments. On the basis of size and the furnishing package, the larger accommodation is probably better value.

You can buy without the fitments, but it does save a great amount of time to be able to walk into a holiday place that is all ready to live in.

Bank guarantees can be arranged to cover stage payments, and the agent, Felicity Hoare, Robert Fraser International, Albemarle House, 28b, Albemarle Street, London, W1, will organise a visit.

You can either stay in one of the resort hotels in Benidorm, or at a rather old-fashioned, but cosy place, Venta la Chata, where after a hefty *paella* lunch, I sat with the locals around a blazing log fire.

The new hotel at Sol Ingrid is to be run by the renowned Villa Magna group of Madrid, and will have an indoor swimming pool which can be used by residents of the apartments. The intention is to keep the hotel open all the year round, so that local people will become regular customers.

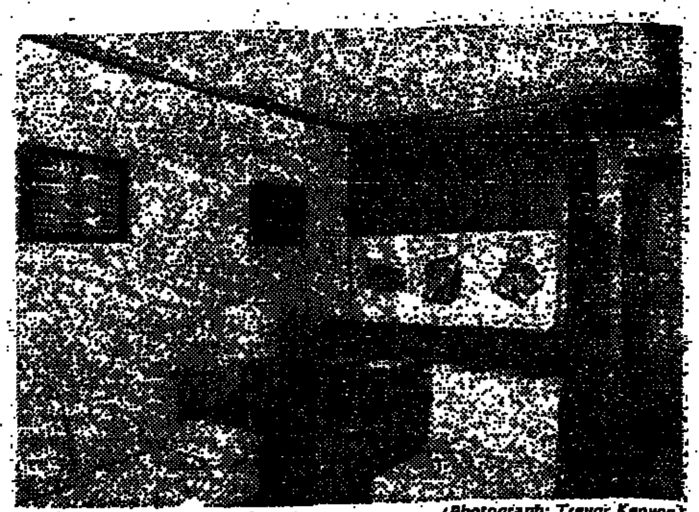
Another project well worth considering along this cast, also with superb sea views, is Gran Alacante, just the other side of Alicante Airport, near the old harbour of Santa Pola.

This is a vast development begun a few years ago which ran into financial problems. It has been safely taken over by the Banco Exterior de Espana. When I was there the main swimming pool was nearly ready, and a rather barren landscape was being planted with palm trees by a gardener from the *Hort del Cura*, Priest's Grove at nearby Elche. (Two date palms here supply the Spanish royal household with fruit.)

The prices at Gran Alacante are probably the most competitive around—£11,800 for a one-bedroomed unit, about £25,000 for four bedrooms. About 125 of the apartments have already been sold, and in the next phase there will be two-storey linked houses, plus individual plots. Special finance arrangements can be arranged through the Banco Exterior in London.

In charge of this ambitious undertaking is José Luis Pinades, whom I met about a year back when he was sales manager of Roche on the Costa de la Luz. Now he is director in charge of all real estate projects for the Banco Exterior.

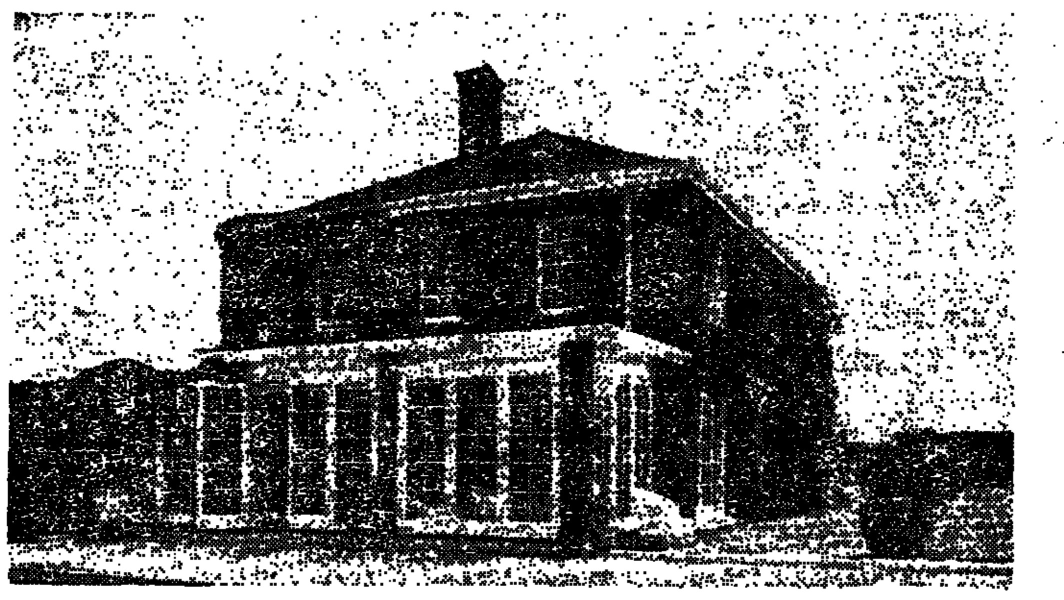
It is important to go and see whether this rather Spanish part of the coast appeals, and the agent, Patrick Whitaker, Azur Developments, 26 Church Road West, Farnborough, Hants (0252 543177), is organising inspection flights Thursday to Sunday for £125 a person including hotel accommodation.



(Photograph: Trevor Kenyon)

Fully equipped one-bedroom apartment furnished ship's cabin style, at Sol Ingrid, overlooking the yacht harbour between Altea and Calpe, Costa Blanca, which can be bought complete for under £30,000. Details Felicity Hoare, Robert Fraser International, Albemarle House, 28b Albemarle Street, London, W1 (01493 3211)

Caradoc Court, Elizabethan manor in 12½ acres near Ross-on-Wye, Herefordshire, is back on the market. There are nine principal bedrooms and 10 secondary bedrooms plus 1,700 yards of single bank fishings on the River Wye, and planning consent for change of use to a health and leisure complex. Details Christopher Cornell, Knight Frank & Rutley, 14 Broad Street, Hereford, and Hugh Lyke, Russell, Baldwin & Bright, South Street, Leominster, who are inviting offers in the region of £350,000 for the complete package, or around £250,000 for the house and land alone



Billy Smart of the circus family is selling his Georgian-style home, Watergate, in 23 acres on Hawthorne Hill, Berkshire, with views towards Windsor Castle. Accommodation includes 5 bedrooms, 3 bathrooms, a playroom-disco, staff flat, guest cottage and 7 garages, for offers in excess of £500,000. Brochure Paul Hutchings, Hampton & Son, 6 Arlington Street, London, SW1 (01-493 8222).

Buying up the chains

EVEN WITH the market reasonably buoyant, the ever-present sales chain still continues. It is not always that people cannot buy a place before they sell. But sometimes they are reluctant to go to contract stage before they have found somewhere to move by completion date.

For would-be buyers having difficulties selling their homes, the National Homes Network with its 600 estate agent members, is working on a "buy-in" scheme with Home Equity Relocation.

The proposal, says Network chairman Vivian Moon, who also runs Webbers, the North Devon agency, is that if a property is not sold within two months, two independent valuations will be made, and the average between the two offered to the owner.

A reflection, perhaps, on the initial valuation and the subsequent marketing? And certainly a pointer to the fact that a vendor should be prepared to lower the asking price right from the start if there is a desperate need to sell.

Barratts, who say that they sell over 4,000 secondhand homes throughout Britain and California with their part-exchange operation, have also come up with a new "buy-in" scheme. Aimed at first-time or starter buyers, it is not dependent on buying another Barratt home.

Called the Investment Security Plan, the idea is that two years after you have bought a Barratt home (up to the value of £30,000), the company will give you back what you paid for it.

No deductions will be made for fair wear and tear, although they might take something off for damage and dilapidations. (Quite what that covers is not specified—broken windows, lumps out of the walls, holes in the floor, perhaps?)

You cannot expect a profit. After all, you have had the use of the place for two years, and of course there is nothing to stop you selling it.

Sir Lawrie says confidently that he doubts whether many of his home-buyers will need to take advantage of the plan. "Some 15 years ago when we were quite a small company we quoted a similar scheme, but did not have one purchaser offer anything back to us." But it is a safety net in case it is needed.

Residential Property

COMPANY NOTICE

MESSINA LIMITED
(Incorporated in the Republic of South Africa)

PRELIMINARY PROFIT ANNOUNCEMENT

The audited consolidated results for the fifteen month period ended 31 December 1983 are as follows:—

	1983 (15 months) (R000s)	1982 (12 months) (R000s)
Operating income	36 711	59 182
Interest paid	26 069	14 000
	10 642	45 182
Provision for unrealised exchange losses	10 971	4 163
Net income/(loss) before taxation and extraordinary items	(329)	41 019
Taxation	(5 753)	11 128
Net income before extraordinary items	5 424	29 891
Attributable to outside shareholders	1 003	1 147
Net attributable income before extraordinary items	4 421	28 744
Extraordinary items	862	9 439
Net attributable income	3 559	19 305
Earnings per share (before extraordinary items)	38c	251c
Dividends per share—Interim	10c	22.5c
—Final	—	27.5c

No final dividend will be paid.

The Annual Report will be mailed to shareholders towards the end of March 1984.

The Annual General Meeting will be held in Parktown, Johannesburg on 4 May 1984.

By Order of the Board
MESSINA LIMITED
A. W. Bradshaw
London Secretary

Registered Office:
25 Wellington Road,
Parktown 2193
Johannesburg.

Transfer Offices:
154 Market Street
Johannesburg 2001

6 Greencoat Place
London SW1P 1PL

London.
8 March 1984.

CLASSIFIED ADVERTISEMENT RATES

	Per line Minimum 3 lines	Single column cm Minimum 3 cms
Commercial and Industrial Property	9.50	33.00
Residential Property	7.50	25.00
Appointments	10.00	34.50
Business, Investment Opportunities, Business for Sale/Wanted	9.50	33.00
Personal	7.50	25.00
Motor Cars	7.50	25.00
Hotels and Travel	7.50	25.00
Contracts and Tenders	9.50	33.00
Book Publishers	—	net 15.50

Premium positions available
(Minimum size 30 column cms)
£6.00 per single column cm extra

For further details write to:

Classified Advertisement Manager
Financial Times, 10 Cannon Street, EC4P 4BY

TRAVEL

Corners of Big Apple

BY ARTHUR SANDLES

WHILE BROWSING in Bloomingdales the other day (a little name-dropping just to set the mood) the thought occurred that the world is indeed getting a bit too small for comfort. This glittering Manhattan emporium, more of a Harvey Nichols than a Harrods, is proud of its wide array of products, but trying to find things which are not available also in Torquay or Tokyo is a testing task.

In the U.S. the situation is not helped by the fact that a high-value dollar has sucked in exports from around the globe. Where are the things American which we once brought home to the oohs ! and aahs ! of envious acquaintances.

The chocolates are now likely to be Cadbury, the toys Korean and the shirts from Hong Kong.

On this particular occasion salvation was to be found just across 59th Street in the form of David's Cookie Store.

David's is a franchise business which has spread to many parts of the U.S. and abroad but not yet, as far as I am aware, to the UK. Its chocolate chunk cookies are mouth watering.

The New England cookies sold in Harrods come close, and at £2.85 a pound they ought to, but afficionados would still claim that David's have the edge.

Doubtless someone soon will cover Europe with David's cookie outlets. Then like Macdonald's and bubble gum they will pass from fantasy to familiarity.

The field is narrowing daily. Even Coors, the Rocky Mountain beer that is so pure that it has to be kept refrigerated, can now be bought throughout the U.S. instead of just in Colorado and New Mexico.

But at least I can't buy that in Tesco, well, not yet. And you can bring back Maine lobsters, alive but not kicking thanks to the pacifying influence of dry ice packaging. The UK customs have no objection.

In spite of the similarities in products these days, however, the differences in moods between cities remains striking. The fact that London is sprouting pasta shops in the way it grew wine bars a few years ago does not make it Rome. New York is still exciting, awe inspiring, irritating, and fun.

A few weeks will see the start of the best time of the year to visit New York. This city, ocean port though it may be, has a continental climate. Its winters can be chilling and its summers an uncomfortable roast.

The spring provides a warmth pleasant enough for sightseeing without the cloying heat of summer, and crisp clear light for all those photographs—it is also a time before air fares have clambered to their dizzy peak season heights.

New York is one of those cities that breeds enthusiasts, ranging from the true devotees who watch what is coming up at the Whitney or the Metropolitan museums to those who just want to leap into the maelstrom of Broadway, the restaurants, Soho strolls and Sunday brunch.

One of the joys of New York is that, unlike so many American cities, it is simplicity itself to move around. The simplest of European minds can quickly fathom the grid system of streets and avenues and even the subway is manageable to anyone who has fathomed the complexities of Paris or London.

Buses are good and cheap and, whatever New Yorkers say about them, taxi drivers are helpful once they realise you are a stranger in town. In a couple of dozen visits to the city I have only twice come across cab drivers who fit the image that New Yorker Magazine regularly gives them.

Mind you, the New York cabbie does not always know his Manhattan as well as his equivalent in the British capital. There was, for example, the trouble we had getting to Fulton Market a weekend or so ago.

The Fulton Market area is another example of the way in which many U.S. cities are rediscovering and redeveloping their old dockside regions. Sited on the East River just below Brooklyn Bridge the market's nearest UK equivalent would be London's Billingsgate, and if the City were to gain something as impressive as Fulton now that the fish have gone then we would benefit indeed.

The result of the revamping is a complex of boutiques and restaurants that spill, French cafe style, onto the cobbled streets. If you are a seafood fan this is heaven and the Californian Chablis to go with it comes good and cheap.

Around the central building are more shops, and a theatre housing a panoramic screened audio visual show which offers a spectacular encapsulated history of the area. The show is part of the South Street Seaport museum which is really the name of the whole complex —the buildings and whatever old sailing ships happen to be tied up at the quay are all part of the scene.

South Street and Fulton Market are among the latest additions to a city which offers a remarkable range of things to do in off-duty hours. American enthusiasm for activity at weekends erupts not only in Central Park where the joggers, the soccer enthusiasts, the meditators and the frisbee throwers somehow manage to carve out their territories but also in Little Italy, Soho, and Greenwich Village where strolling can be intriguing for its people watching pleasures alone.

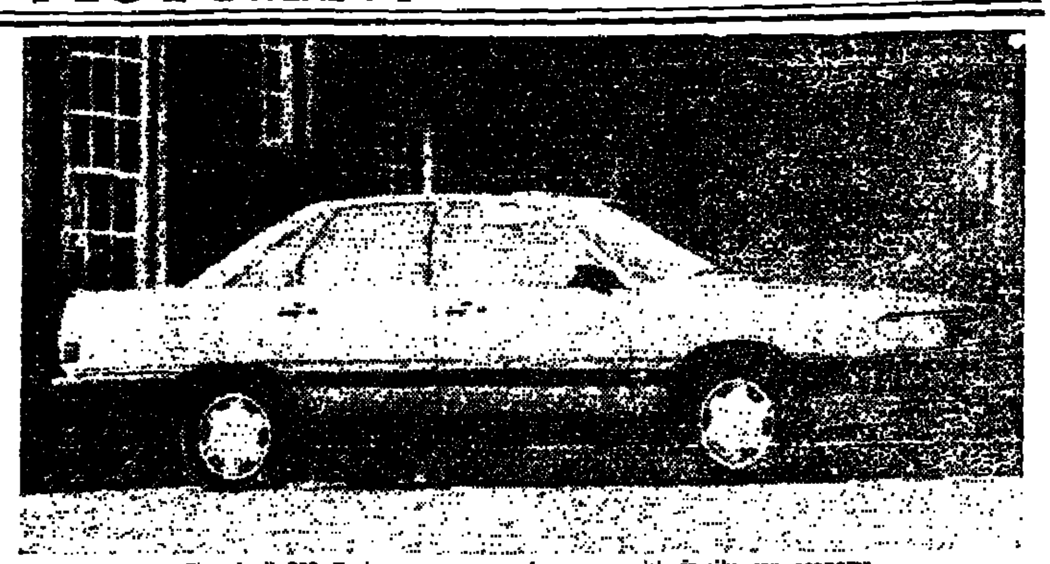
Soho is particularly tempting. The area bounded by Houston Street to the north, Broome to the south and Avenue of the Americas and Broadway is a pot pourri of art galleries, boutiques, delicatessens and restaurants.

Dean and DeLuca, the grocery store on Price Street, and the architectural surprises of Greene Street, are worth the visit in themselves. Look in on the Greene Street restaurant for food, jazz or just a drink (evenings only).

The problem for Europeans at the moment is that New York, other than for walking or using public transport, is no longer an inexpensive city. The exchange rate make the $40-$45 theatre ticket which upsets New Yorkers horrify Britons; a bistro-type meal which might cost £20-£25 for two in London is likely to come in at $70-$90 and something which might earn an honourable mention in Michelin will produce bills of over $100.

Of course you can find inexpensive hotels and cheaper places to eat, but like for like living will come as a shock for someone who has not been to Manhattan for a while.

MOTORING



The Audi 200 Turbo, supercar performance with family car economy

High tech, high speed

BY STUART MARSHALL

THERE is something slightly unnerving about the digital read-out that appears in a tiny meter and rev counter when you start the Audi 200 Turbo's engine. It tells you exactly what your fuel consumption is at that instant.

When the five-cylinder, 182 bhp engine is idling, it reads about 0.4 gallons per hour. You accelerate and it says 10 mpg, improving to 30 or more mpg. Fractionally increase the pressure on the accelerator and the digits reflect the extra flow of petrol. Floor the pedal so that the turbocharger really starts working and a single digit appears to let you know how wasteful you are being. Lift off so the engine is idling and the readout says 99 mpg. It's not quite telling the truth because consumption is actually nil—there is a fuel cut-off in the K-Jetronic system.

At first I hated it. I told the Audi man at lunch that it would be much better to show the wavelength the self-seeking radio had got on to because the scale was invisible on the set. Or perhaps they could blank the thing out altogether.

That was a month ago when I had a preliminary canter in an automatic 200 Turbo in Kent. But when I set off for Geneva in a five-speed manual at the beginning of last week I began to realise I had got it all wrong. The ever-changing digits were not just an electronic irritation. They were a sophisticated and remarkably effective economy device. It became a challenge to keep the highest possible figure in the window by maintaining minimum pressure on the accelerator.

The results exceeded my wildest expectation. I filled up at Dover before boarding the Townsend Thoresen ferry, brimmed the tank at Joigny on the outward leg and again near Dijon on the way home. For these 697 miles I used 22.7 gallons, which was 30.7 mpg.

The Audi 200 Turbo is a generous five-seat car and I was not hanging about. On the autoroute, I set the cruise control for 80 mph. On the N and D roads, I kept within sight of the 60 mph limit unless the downhill straights were too tempting. All the time my wife and I tried to keep those digits as high as possible—and it paid off.

Economy may seem a curious aspect of the world's fastest high volume production saloon to highlight. The Audi 200 Turbo will reach 143 mph and cruise in a relaxed way at 120 mph on the autobahn; I have done it. Acceleration from 0-62 mph is said to take 8.2 seconds. I believe the claim but have no wish to test it. The Audi is not that sort of car. You don't have to hurl it round corners or engage in tyre-squealing jousts at the traffic lights. It is a distance annihilator for mature motorists, not a sports car.

The careful aerodynamic shaping that gives such good fuel consumption at higher cruising speeds keeps wind noise low. The engine raises its voice only when taken up to unnecessarily high revolutions. The influence of the turbocharger is gentle rather than kick-in-the-back. The loudest noise is tyre rumble from the grippy and responsive 60 series Goodyear NCTs on coarse surfaces, or the air conditioning as it rapidly brings the temperature up or down to the pre-set level.

I liked the unobtrusive power assistance for the steering, the anti-lock brakes that could be used hard on slippery surfaces, the pleasant gearchange and light clutch. The automatic is nicer still, though until Audi gets a two-pedal transmission to match the latest used by BMW some economy has to be sacrificed. A fast ascent of a mountain pass shows that the front tyres have to work very hard. Though the 200 Turbo never became unruly, it is clear that the ultimate version will have four-wheel drive, Quattro-style, as well as a three-speed plus overdrive automatic. It is coming, but not just yet.

On the motorway, it shows some sensitivity to gale-force crosswinds or the disturbance made by speeding juggernauts.

When the 200 Turbo reaches showrooms in this country in a few days time it will cost £17,013 (manual) and £17,7[illegible] (automatic). Equivalent versions of a non-turbocharged 200E are £13,411 and £14,1[illegible]. These do not have all the Turbo's equipment, which includes automatic air conditioning, ABS brakes, electric windows, electrically adjustable passenger door mirror, central locking and an electronic safety check system.

The cars I drove were pre-production models with goodies—offered as optional extras—like electrically adjustable front seats with heated cushions and backrests and an electrically operated sunroof. Even with these items an automatic Turbo is still below £20,000. Makers of cars that need large, multi-cylinder engines to propel five people and their luggage at high speed and in great comfort had better watch out. Audi has shown that all this is possible with fuel economy, too.

Holidays and Travel

Overseas

Flights

Motor Cars

PERSONAL

No way to write history

BY MALCOLM RUTHERFORD

Labour in Power 1945-1951
by Kenneth O. Morgan. OUP, £15, 546 pages

Anyone who writes about British politics in the period 1945-51 must be ready to be judged by the highest standards. In recent years we have had Kenneth Harris's biography of Attlee, Philip Williams's biography of Gaitskell and the even more interesting *Gaitskell Diary*, as well as Lord Bullock's monumental work on Bevin as Foreign Secretary.

Kenneth Morgan is the first to try to put all the new material together in a single volume. Dr Morgan has already been criticised by E. P. Thompson for an approach to history that takes account only of official sources. He has been praised by Michael Foot for seeming largely to exonerate Bevan in his quarrels with Gaitskell. Here are some non-polemical reasons why the book does not come off.

It is not well written. For example, two out of three successive sentences on page 84 begin with the word "otherwise." There is a tendency to rely on cliches and unnecessary adjectives: for instance, "anti-capitalist demonology," "the brilliantly effective *Daily Mirror*," or Gaitskell "rammed home this point." It is not well edited. The chapter of the welfare state, in particular, would have gained from being broken up into a few more paragraphs, though, oddly enough, all these defects tend to decrease as the book goes on.

There are some extraordinary *ex cathedra* statements. Dr Morgan writes on page 323 that there were no major novelists during the Attlee years. Apart from the facts that Graham Greene was writing throughout and Anthony Powell was preparing *A Dance to the Music of Time*, it would have been remarkable if a six-year period of government could have produced its own novelists overnight. In fact, the creative outburst came shortly afterwards.

Dr Morgan claims on page 300 that a "close analysis of the social changes in the 1945-51 period is not possible, since no census was taken in 1941." Historians ought to be able to find other sources.

There is a similar lacuna on page 85. Dr Morgan writes that the "influence of the civil service between 1945 and 1951 is a . . . difficult subject," and adds: "On balance, evidence of civil service obstruction of the activities and policies of the Labour Government is very hard to uncover," by which presumably he means "discover," or perhaps not. Thereafter the influence of the civil service is scarcely discussed except in terms of foreign policy, where it has already been widely documented.

I agree with E. P. Thompson that to rely largely on official papers is an inadequate way of writing history. Yet there is another error of approach.

Any author facing a period like 1945-51 has to make a choice between treating it chronologically or dividing it into subjects. Lord Bullock chose the former in his volume on Bevin's foreign policy, and Harold Wilson effectively did the same in his book on his own Government 1964-70. Dr Morgan has taken the latter course. It may have the advantage of neatness, but it is also misleading. It means that the story is not told as it was, for the nature of politics is that Ministers, especially senior Ministers, have to take subjects together. The business of the welfare state cannot be separated indefinitely from (say) the business of defence.

More than halfway through Dr Morgan's approach changes: he begins to take events as they arose, which is one reason why the latter part of the book is much better. The other reason is that he has some new material.

Yet the complaints do not end there. Dr Morgan may not be (quite) guilty of political bias, but he is, I think, guilty of some political confusion. He writes of the Conservatives on page 290: "Up to 1951 the party remained in important respects lacking in initiative, out of touch with some new currents of social thought." On page 317 the tune has changed: "By 1950 the ethic of the war years was giving way to somewhat different imperatives—individual initiative, freedom of opportunity and movement, the priorities of a property-owning, home-owning democracy. This was reflected in the libertarian rhetoric shrewdly adopted by the Conservatives in the 1950 and 1951 elections—'setting the people free'."

It is very hard indeed to reconcile those two statements.

Dr Morgan's fundamental mistake seems to me to occur very early on when he dismisses the pendulum theory of politics. It is a bad theory only if you expect the pendulum to swing with predictable regularity. It is also a mistake to seek to measure political trends largely by what happens in general elections, or even in by-elections. Dr Morgan attaches too much importance to Labour's clean by-election record, and he uses hindsight—which Lord Bullock never did—on Bevin.

Political moods do change, but they do so subtly and over time. It is often a matter of luck whether a political party can cash in on them, since general elections are few and far between.

Besides, the political parties change with them. For instance, the Distribution of Industry Act of 1945, which was the beginning of regional policy, was passed not by the Attlee Government, but by the Churchill coalition. One wonders also if a Tory administration in the late 1940s would have been wholly reactionary: more likely it would have gone along with prevailing trends.

Equally, the Attlee Government was itself adapting in the later years. It was the young Wilson and Gaitskell, not the Tories, who were talking about a "bonfire of controls." But the old team had run out of puff.

The interesting questions are why that tends to happen, why moods change, and what is the effect on politics of the machinery government and the electoral system. Party is of secondary importance, except to the participants.

One of Dr Morgan's aims was to justify Labour in power. That was unnecessary. It needs no justification. But in attaching himself too much to the Party, and to the factions, he has diminished his book.


Aneurin Bevan: Labour Minister of Health

Evangelicals entertain

BY SAMUEL BRITTAN

Mrs Thatcher's Economic Experiment
by William Keegan. Allen Lane, £9.95, 240 pages

William Keegan has written a book on the new post-Keynesian fashions of economic management—which, although he is reluctant to admit it, long pre-dated the Thatcher government. He has managed to invest it with the qualities of a good thriller or a refreshingly concise historical novel. At any rate I found it so enthralling that I missed my interchange to the Inner Circle on my way home and found myself speeding past Fulham Broadway.

Many readers will know that William Keegan detests the whole trend away from Keynes as he was understood in Whitehall and Oxbridge in the 1960s. But instead of launching a full frontal onslaught he has decided to tell the story, entertainingly and well, of how it all happened. He is scrupulously fair in separating the different sorts of people and ideas involved in the counter revolution: anxious to avoid stock labels like "right wing" or "monetarist." The name he has hit upon is "evangelicals"; less bad than some: although the mind boggles at the thought of evangelicals "hi-jacking the Tory Party." My own favoured expression is "counter-revolutionary", in an economic rather than ideological sense.

He has enough scoops and anecdotes to make sure that even evangelicals will wish to read it. They will find, for the first time, the story of how the initiative for the 1981 Budget—which reduced public sector borrowing at a time of recession—came from the No 10 policy unit, particularly Walters, Hoskyns and Wolfson—who urged "an unthinkably low PSBR."

There was also the Burns-Middleton proposal in 1980 for the abolition of the National Insurance Surcharge. I am left unclear whether these two officials were overruled or whether they abandoned the idea in the face of a deteriorating fiscal outlook and Ministerial desire to give priority to cutting interest rates. We learn, too, how Nigel Lawson, as Financial Secretary, "took the Treasury by storm," introducing the Medium Term Financial Strategy over the dead bodies of those who were conservative with a small "c."

But one is left puzzled. How is it that so many people of varying political persuasions, whom Mr Keegan treats with respect and affection, nevertheless became the villains of the story, responsible—if we are to believe it—for many of the 3m unemployed? I am intrigued to find myself (together with Peter Jay) in the role of arch culprit for articles in the early 1970s which took to pieces conventional demand management and incomes policy.

In fact my conversion was even earlier than Mr Keegan supposes, taking place before 1970.

(There is no need for readers to look at old copies of the Financial Times *seriatim*: key articles are collated in *The Economic Consequences of Democracy*, published in 1977.)

The key to the conversion of real-world politicians and officials goes back to the Heath dash for growth and the lessons which were drawn from it. Mr Keegan believes that the only thing wrong with old-fashioned demand stimulation was that it was carried to inflationary extremes. But how is one to know what is "extreme"? By the standards of the time, with headlines about "one million unemployed," there seemed a vast amount of slack; and the Heath 5 per cent growth target was seen by the Treasury as a limited two-year spurt designed to get the economy back on trend. The search for some kind of guidelines to prevent a fatal, well-intentioned lurch into inflation was at the root of the "monetarist" revival.

Until writers like Mr Keegan come to grips with chapters in the counter-revolutionary texts which deal with shifting Phillips curves, accelerating inflation and the NAIRU (non-accelerating inflation rate of unemployment) they will not get to the heart of the argument. That Ministers never refer to such matters is irrelevant to the intellectual issue.

Alternative arts man

BY MICHAEL COVENEY

Thanks for Coming!
by Jim Haynes. Faber, £3.95, 290 pages

After he had launched Britain's first paperback bookshop in Edinburgh in 1959, Jim Haynes became a crucial figure in the Performing Arts. He made things happen. He initiated the fringe theatre movement in this country. An ex-member of the U.S. Air Force, he became, along with fellow ex-pats Charles Marowitz and Ed Berman, a key spokesman for the alternative performing arts.

There have appeared several snooty and self-congratulatory reviews of Jim Haynes's collage-cum-autobiography, but none of them has begun to assess his real impact. He was the first bookseller to arrange his wares by subject, not by publisher. He started the idea of readings and "art" performance in this country. He moved effortlessly, interestingly, between the worlds of Mick Jagger, Lord Goodman, Jennie Lee, Kenneth Tynan, Germaine Greer and Dick Gregory.

He was always, and ever, an autograph hound. His most useful contact in this respect was John Calder, who set him up for the Edinburgh Festival Drama Conference of 1963 and cemented his relations with Natalie Sarraute, Harold Hobson, Tynan, Sonia Orwell, etc.

Haynes reacted to all this with the advantage of being an active provocateur, an identifiably animated example of the alternative society.

He knew the Stones, Tim Leary, Germaine Greer, Dick Gregory, Heathcote Williams, Ken Tynan and Jennie Lee when it mattered to know them. To most people, he was an innocent, likeable saint of the permissive society. He did no harm. He was, touchingly, impressed by dealing with the famous.

He is now 50 years old. "My formula," he says, is that "I don't smoke, don't drink, I don't use aspirin, and I'm nice to old ladies and young girls, especially young girls."

An anti-intellectual, Jim Haynes spawned a whole new intellectualism in the arts, changed several hundred people's lives, supplied easy ammunition for the New Right's reaction to his heroes (Buckminster Fuller, Willheim Reich, Marshall McLuhan) and became an easy target for the pampered new wave establishment *literati*. He remains the best advertisement for what was valuable about the 1960s. His book, a most entertaining and revealing collage, is an essential testament to an era some of us, before the onset of the new cynicism, regard as important.

In Faber's ingenious publication, Haynes published his correspondence and a picture of Suck magazine (which he founded) editorial conference. The picture shows four naked bodies writhing around in something approaching late 1960s ecstasy. It is a funny and absurd picture, but not half as funny as Haynes's ingenious memorial of an early Suck conference:

"In the middle of our meeting, Heathcote (Williams) and Jean (Shrimpton) excused themselves to go into another room to make love. Bill, Germaine and I continued to talk. Later, when the paper folded, I looked back on this meeting as our first mistake. We should all five have made love together."

You and I may laugh at this. But Haynes is speaking in earnest. He still does, teaching Media and Sexual Politics, if you please, in Paris, where he has lived and loved since 1969. His book is a document of how the permissive society reached out and conquered the fashion-conscious establishment: as a critical history it is more or less useless.

Nonetheless, a book to cherish. It opens with a list of dedicatees—20 pages of them, ranging from our own Freddie Young to Harold Hobson, Mick Jagger, Peter Hall, Hugh McDiarmid, George Melly, Harold Pinter, Pip Simmons, Gore Vidal, Francis Wyndham—"and all closet hippies everywhere . . ." Jim's greatest talent was ever an undiscriminating enthusiasm. No reviewer has discussed this more constructively than does Charles Marowitz. He does so within the memoirs, at Haynes's own invitation.

BUILDING SOCIETY RATES

	Share a/cs %	Sub'on shares %	Others %	
Abbey National	7.25	8.25	8.25	7 days' notice. No interest penalty
			8.75	Higher Interest acc. 90 days' notice or charge
			6.00-7.50	Cheque Save
Aid to Thrift	8.50	—	—	
Alliance	7.25	8.25	8.25	Monthly Income—3 months' notice...
			8.50	28 days' notice. Imm. withdwl., 28 days' penalty,
			8.25	7 days' notice. No interest penalty
Anglia	7.25	8.25	8.75	3-year Bond. No notice. 3 months' penalty
			8.50	Capital Share. No notice 1 month's penalty
			8.25	7 day's notice. No interest penalty
Birmingham and Bridgwater	7.25	8.75	8.25	5 days' notice or 20 days' int. pen. £500 min.
			8.60	Guaranteed fixed rate. 12 months. £500 min.
Bradford and Bingley	7.25	8.25	8.50	1 month's notice or on demand
			8.25	7 days' notice
Britannia	7.25	8.25	8.25	7 days' notice, 8.50 2 months' notice
Cardiff	8.00	8.75	—	
	*8.50	—	—	*Share account balance £10,000 and over
Catholic	7.50	8.50	8.50	6-month deposits. Monthly income
Century (Edinburgh)	7.75	—	8.75	Variable. 8.85 Permanent 2/3 years
Chelsea	7.25	8.25	8.75	Immed. withdrawal (int. pen.) or 1 mth.'s not.
Cheltenham and Gloucester	7.25	8.25	8.25	Gold account £1,000 + not notice no penalties. Monthly interest. £5,500 minimum, 8.57 if compounded
Citizens Regency	7.50	9.00	8.40	plus account no penalty. Double option 8.50
City of London (The)	7.50	8.25	9.00	6 months' notice—no penalty
Derbyshire	7.25	8.50	9.00	8.25 1 month's not., 7.75-8.60 3 months' notice
Greenwich	7.25	8.50	8.50	(max.) at 28 days' notice/penalty
Guardian	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.25	8.25	8.25	Xtra Interest, 7 days' notice, no penalty
			8.50	Xtra Interest PLUS 28 days' notice, no penalty
			8.75	Special Inv. Cert., 3 months' notice/penalty
Heart of England	7.25	8.50	8.25	5-Day Notice Share Account
Hemel Hempstead	7.25	8.50	8.75	3 years, 8.50 28 days
Hendon	8.25	—	8.75	3 months
Lambeth	7.50	8.75	9.10	28 days plus loss of interest, 8.25 3 months
Leamington Spa	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.25	9.00	8.75	4 yrs., monthly int. 8.75 1 mth. notice or pen.
Leeds Permanent	7.25	8.25	8.50	Ex. Int. £500 min. 28 days' notice/penalty
Leicester	7.25	8.25	8.25	3 months. 9.02 compounded 3 years
London and Grosvenor	7.75	—	8.25	High Yield (1 month)
London Permanent	7.75	—	8.75	1-year term. Imm. wdl. with loss of 1%, bonus
Midshires	7.25	8.75	8.75	3-yr. term with 0.5% bonus on mat'y if reinv'td
Mornington	8.50	8.50	—	Immediate withdrawals—no penalty
National Counties	†7.55	8.55	9.10	28 days' notice & loss of interest. † £1,000+
National and Provincial	7.25	8.25	8.50	1 month's notice or immediate and interest loss
Nationwide	7.25	8.25	8.75	Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 minimum withdwl. with 28 days' loss or notice
Newcastle	7.25	8.50	8.75	4 years, 8.25 28 days notice, or on demand with penalty, 8.50 90 days' notice, or on demand with penalty
Northern Rock	7.25	8.50	8.25	7-Day Moneyspinner, 7 days' not. wdl. no pen.
			8.75	Premium Moneyspinner on demand, 28 days' loss of interest on amount wdn.
Norwich	7.25	8.50	8.50	City Account, immed. withdls. with no penalty
Paddington	7.75	9.25	8.75	1 mth.'s. not., or 1 mth.'s int. loss on sums wdn.
Peckham	8.00	—	8.50	7 days, 9.00 3 months
Portman	7.25	8.75	8.75	Two months' notice, 8.25 no notice
Portsmouth	7.55	9.05	9.40	5 years, 9.00 6 month, 8.50 1 month
Property Owners	7.75	9.00	8.75	28 days, 8.75 3 months, 8.50 monthly income
Scarborough	7.25	8.50	8.25	Money Care and Free Life Insurance
Skipton	7.25	8.50	8.25	£1,000-£4,999 Sovereign, no penalties, no notice
			8.50	£5,000+, no penalties, no notice
Stroud	7.25	8.50	8.85	3 months, 8.25 1 month no penalty with notice
Sussex County	7.25	9.00	8.25	7 day's notice. 8.50 Sx.Sh., 7.50 Sh. a/c £2,500+
Sussex Mutual	7.50	9.00	8.75	1 month's notice/immed. with 28 days' penalty
Thrift	8.15	—	9.15	3-year term. Other accounts available
Town and Country	7.25	8.25	8.75	3 yrs. ½-yrly. int. Monthly income wdl. facility
			8.50	7 day's notice no interest penalty. ½-yearly int.
Wessex	8.30	—	—	
Woolwich	7.25	8.25	8.25	7 days' notice
			8.50	28 days' notice or on demand (interest pen.)
Yorkshire	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic tax liability has been settled on behalf of the investor.

Varsity rags

BY GEORGE WATSON

Cambridge Commemorated. An Anthology of University Life
Collected and edited by Laurence and Helen Fowler. Cambridge University Press, £12.95, 384 pages

Cambridge has never been the place for anthologies that Oxford is; and it has the double misfortune of being known for a bibliography rather than a dictionary, and for breeding spies. But this year its university press is celebrating its four-hundredth anniversary of continuous publishing, and it may be easily forgiven for producing a fat and handsomely printed anthology about university life starting in the thirteenth century, with nearly fifty black-and-white illustrations.

Newnham College sponsored a benefit reading under this title a few years ago, with Peggy Ashcroft and George Rylands. The occasion inspired the late Sir Geoffrey de Freitas to subsidise costs; this book will assist the college funds. All the omens are set fair. And since both editors are Cambridge graduates, and have persuaded the Duke of Edinburgh (as Chancellor) to write a foreword, the whole enterprise has an affectionate air about it.

The charm of Cambridge can be taken for granted, as summer bus-loads prove, so the editors have rightly chosen, above all, to divert. Wasting little time on the medieval origins, which may (or may not) have started in 1209 with a mysterious influx of Oxford men, they take us briskly through the great century of college foundation (1440s-1540s); the anecdotage sadly thin till 1511. That was when Erasmus moved in. He complained about the beer and the wine, but commended the more-than-monastic sobriety of life that he found there. For anthologists, not much to go on. It was only in Elizabethan times, with the end of bitter religious purges, that (as one of the editorial notes puts it) stories began to get about. Any reader convinced that dons are an eccentric lot will find a good deal to flatter his prejudices in the rest of the book. In fact, Erasmus seems to have been the last distinguished visitor until Sylvia Plath to have commended Cambridge for its sober and regular existence or to have dared to complain of its drink.

Since scholarship is not the principal emphasis, the book has an engagingly amateurish air. The proof-reading is peccable; the references often secondhand; there are better ways of spelling Harold Nicolson and G. G. Coulton than those adopted here. 400 years of continuous publishing have not taught CUP everything.

This is a lively patchwork. Most dons are nowadays sober men with wives and mortgages, but that humdrum truth has been wisely avoided through most of this volume. No one would have believed it anyway.

Nor is Cambridge all port and spies, though wine-circles and Burgess-and-Maclean-and-Philby-and-Blunt are all given due and unavoidable emphasis. So is Victorian worrying about God and Edwardian nude river-bathing.

In welcome contrast, Sylvia Plath writes home to her mother that the place is "wet, cold, abstract and formal," though excellent to work in. And we are occasionally reminded that the nation and the world have not done badly out of Cambridge. It has given us the law of gravity, some of our best poems, radar, the split atom, and the double helix.

It is the trivia that prove uniquely memorable: Leslie Stephen walking all the way to London for dinner, for example; or Coulton grinding his cocoa in St John's and boiling it for four hours. A university that pioneered so much of modern anthropology and sociology cannot expect to claim a miraculous exemption for itself: compared with some of the goings-on reported here, the love-cults of Polynesia look almost ordinary. The trivial, after all, is what the mind inexplicably chooses to hang on to. And the first law of academe is that one is less remembered for one's profoundest reflections than for the oddities by which one utters them. We may prove immortal, if at all, for what we have performed unawares.


Mill Lane (woodcut by Gwen Raverat)

Duet

VALERY McCONNELL

The Life and Times of F. M. Mayor and Mary Sheepshanks
by Sybil Oldfield. Virago, £5.95 (paperback only), 328 pages.

Flora Mayor's parish was the heart, Mary Sheepshank's the world. F. M. Mayor wrote novels about the family lives of genteel women whereas Mary Sheepshanks was an international campaigner for political justice. They both attended Newnham College in the 1890s and remained friends, although not close friends, for the rest of their lives. Their reactions to the world around them were very different, as Sybil Oldfield recounts in this joint biography.

Flora Mayor's two novels, *The Third Miss Symons* and *The Rector's Daughter* have recently been republished and are acclaimed masterpieces. Her style is as economical and subtle as Jane Austen's.

Mary Sheepshank's work reads like a radical roll-call of honour: South London Settlements, further education, international women's suffrage, famine relief and the International Congress of Women.

The merging of two such apparently diverse lives into one biography could have produced a contrived and awkward book. Happily it has not.

Drums, guns and gems

BY MARTIN SEYMOUR-SMITH

The Sound of Anthems
by Marjorie Alyn. Hodder & Stoughton, £8.95, 211 pages

The Coffin Tree
by Wendy Law-Yone. Cape, £8.50, 194 pages

Tantalus
by Amanda Hemmingway. Hamish Hamilton, £8.95 240 pages

The Diamond Waterfall
by Pamela Haines. Collins, £9.95, 570 pages

The Sound of Anthems is a first novel, and a very accomplished one, set in a village near Belfast in 1945, when revival of Orange Order celebrations spoiled the sense of peace felt by the Catholic community. Clearly this novel is to a certain extent autobiographical (as so many first novels are) since the Scottish author was herself brought up in Belfast by her grandmother and her aunt. She seems to have remembered the general circumstances of her early youth very well: the puzzlement of Jennifer about adults is much complicated by her failure to understand their loyalties. The Irish confusion at that time, seen through the eyes of an intelligent 11-year-old, is refreshing and revealing.

The story is simple: Jennifer her grandmother and her aunt are amongst the few Catholics living in their street (a Parade); the child learns that she "belongs" to a certain faction, whether she wants to or not. Although this is regrettable, the events are recorded without bitterness or rancour, but with understanding and sympathy. The book is sometimes rather too twee, but it still reminds us that everyone belongs somewhere, even if they are not forced into their natural allegiances so early and so comparatively dramatically. Anyone who reads this new novel will learn something about Northern Ireland, and will enjoy the portraits of the child's two guardians.

The Coffin Tree is another first novel, rather more ambitious than the previous one. The author was born and grew up in Burma, and has set her book there—at a time (1962) of a savage military coup which led to the arrest and imprisonment of her father, who founded and edited *The Nation*, Burma's English-language daily newspaper.

A young Burmese girl is driven by the coup into exile far from her difficult family (in particular, from her authoritarian father, a memorable portrait). She arrives in New York without money, in the company only of her older half-brother who is as bewildered as she is. The book describes how she survives both what is known as "culture shock": her half-brother's decline into paranoid withdrawal, and her own near-breakdown. It ends as she starts to recover after leaving a mental hospital; her recovery aided *by* her discovery of an old poem telling the legend of the spirit in the coffin tree. A lucid and sometimes powerful novel, and a most promising debut.

Amanda Hemmingway has written a novel and a "science fantasy" called *Pzsche; Tantalus* is her first "straight" novel. Although it is an attempt to retell the Tantalus myth in contemporary terms, and as such, a little pretentious, *Tantalus* has a most attractive realistic surface; its real worth. The author is intelligent and observant, and this tale of a girl who takes on more than she can bear, so that she finds herself in a position in wich she cannot fulfil herself sexually no matter how desperately she needs to, is fascinating from start to finish.

The Diamond Waterfall, by the author of *The Kissing Gate* ("Want to escape the recession?" asked a reviewer), is an above-average blockbuster. The title refers to a diamond necklace (it drapes across a woman's breasts like "brilliant chain mail"), symbol of both bondage and tragedy. This novel is not as "brilliant" as the publishers claim, but it marks a vivid saga.

HOW TO SPEND IT

by Lucia van der Post

COOKING

Fishing for compliments

By Julie Hamilton

I HAVE been quizzing my fishmonger about what his customers most frequently ask him, what they cook, and what he thinks we should all know about fish. The question he is most frequently asked is: "Does it have bones?" A sad reflection on today's cooks.

Gone, alas, are the days when half a crown bought enough fish, often herrings or haddock, to feed a family of eight. Yet many of us still feel cheated when we find that the fish we have decided to buy costs as much as, sometimes more than, any meat.

That attitude is slowly changing with the advent of such marvellous fishmongers as The Ark in Lewes, Sussex, one of many new fish shops that are opening all over the country. Nick Roe, owner of The Ark, is every cook's dream of a fishmonger; he will answer all questions, advise on what to buy and why, and how to cook it.

In his view, it is a mistake generally speaking, to go to the fish shop with a specific notion of what to buy; it is better to see what's in stock and then decide. I am talking about fresh fish. Unlike the selection of meat at the butcher's, the availability of fish varies enormously according to the weather conditions *and what the fishermen actually catch.*

Another point about fresh fish is that, because of its odour, many people believe it has to be taken straight from the shop to the cooker and eaten that day. If it is bought really fresh and properly handled fish can be kept in the 'fridge for two days. It is important to take the fish *out of the plastic bag as soon as* you get home and put it in the 'fridge on a plate covered by another plate; try to make fish the last item on the shopping list and the *first* to be unpacked, then you will be sure that it still smells and tastes fresh.

Be adventurous and don't hesitate to ask your fishmonger to tell you what to do with the *less common varieties of fish.*

As promised in my last article, here is the wonderful seafood casserole from Richard Brown, chef at Ebenezer Cottage, the English restaurant at Walton-on-the-Hill, Surrey.

SEAFOOD CASSEROLE
Serves 4

½ bottle Chablis (or any good dry white wine); 1 pint fresh mussels; 4 scallops cut in half; 1½ lbs fresh fish—a combination of any three of the *following:* turbot, brill, John Dory, sea bass, red mullet (if you can get it, it adds a nice colour to the dish), sole, bream, haddock or any sea fish; 1 onion finely chopped; 10 oz double cream; a julienne (finely shredded and mixed) of approx. 2 carrots, 2 sticks of celery and 1 leek; court bouillon for poaching the fish *in; chopped parsley to garnish* with; salt and freshly-ground pepper.

Fillet and cut the fish into two-ounce pieces. Place the washed fresh mussels in a saucepan with the wine, the julienne, the onion and seasoning, bring to the boil and cook gently until mussels open. Simultaneously poach the fish in the *court* bouillon (a cube could be used). When the mussels have opened add the cream and scallops and simmer for a further three minutes; adjust seasoning. Using a slotted spoon remove the mussels and scallops and place them in four heated deep *dishes (soup plates perhaps)*. Leave the sauce on the heat to reduce and thicken slightly.

Divide the poached fish and make an attractive arrangement in the middle of the mussels and scallops. Pour the sauce over and garnish with the parsley (and lemon twists if you like). Serve at once.

New or creamed potatoes would go well with the casserole. So would braised fennel *which really is a very delicious* vegetable dish. I find that the longer and slower you cook the fennel the better the flavour. Simply quarter the root, sweat it in a little butter, add a pinch of salt, cover and place in a very slow oven or over a very low flame for at least one hour, *or even more.*

I have created a very simple, *economical* but spectacular-looking fish pie and my friends assure me it is quite suitable for a party!

JULIE'S SEA PIE
Serves 6

1 large or 2 small herring and an equal amount of kippers; 1 large mackerel and 1 large or 2 small smoked mackerel fillets; 1 finnon haddock and an equal amount of fresh haddock; 1 very large or 2 medium red peppers; 2 table*spoons* oil; 2 large moist cloves of garlic finely chopped; 1 teaspoon tomato purée; 1½ oz flour; 1½ oz butter; 4 tablespoons milk; ½ pint reduced fish stock made from the bones and trimmings of *all the fish; 1* tablespoon wine vinegar; lots *of chopped parsley.*

For decoration you will need *something like the following:* 4 or 5 prawns in their shells; 6 or so whitebait; a sprat or 2 and maybe a mussel or cockle shell or 2 (all this is a matter of visual taste); approx 1½ to 2 lbs seasoned mashed potatoes with a little cream added, or top of the *milk if you prefer.*

De-seed and roughly cut up the red (it must be red) pepper, sweat *it* in the *oil,* covered, until very soft. Mean*while bone all the fish most* meticulously, keeping the smoked separate from the fresh. Cut up or flake the fish. Push the cooked and very soft red pepper through a vegetable mill, add the tomato purée and vinegar, bring to boiling point and add the raw fresh fish.

Make a roux with the flour and butter, then slowly add the fish stock (it must be fish stock made from the trimmings in one pint of water *and it must be* greatly reduced by fast boiling *after* having simmered for 30 minutes), then add the milk. Combine this sauce with the partly cooked fresh fish and red pepper in a large gratin or pie dish, preferably shallow rather than deep. Carefully fold in the smoked fish, half the parsley and the garlic. Cover with the *mashed potatoes and form* mounds and depressions like wave formations.

When the pie has been cooked in the oven you are going to fill the depressions with the rest of the parsley; bearing that in mind, arrange the whitebait as though they were jumping in *and out of the waves and do* likewise with the other decorative items.

Cover with *foil and bake* in the oven (using whatever temperature is most convenient, from moderate to hot) until the fish is bubbling. The top must not brown. Remove foil and fill grooves with parsley. It will look very pretty and taste as good as it looks.

ARK FISH TERRINE
Serves 8 to 10

Fish terrine makes a very special first course and, unlike its main cousin, is best served and eaten more like a mousse than a paté. I have named this terrine after the fish shop which inspired its creation. It keeps *well, even after opening, for at* least five days in the refrigera*tor.*

½-lb smoked salmon offcuts; juice of half a lemon; generous pinch dill weed; ½ teaspoon sugar; 1 teaspoon Dijon mustard; 5 ozs double cream; *1 lb bream weighed after* filleting and skinning; good bunch of parsley; plenty of white pepper and salt; 3 egg whites; 5 ozs sour cream; 1 red pepper very finely shredded.

Using either a food processor or blender, purée the smoked salmon, adding the mustard, lemon juice, sugar, dill weed and one egg white. Turn the mixture into a well chilled bowl *and slowly incorporate into it* the double cream, a little at a time. Cover and chill while you prepare the bream.

Cut the fish into chunks and make absolutely sure there are no bones left in it. Purée it, adding the parsley, finely chopped, plenty of salt and pepper and the two remaining egg whites. Again remove the mixture *to a chilled bowl* and slowly add the sour cream.

Line an oblong terrine (five inches by 10 inches) with vegetable parchment paper to facilitate easy unmoulding (I did not have any so I oiled the dish and used thinly sliced potato which I peeled off when serving. It was very satisfactory and also kept the terrine moist.)

Spread all the smoked salmon mixture in the bottom of the terrine, cover with the finely shredded red pepper and then the puréed bream mixture. Smooth the surface and place some well oiled foil over the top. Place in a roasting tin full of water and cook in a slow oven (gas mark ¼ or ½, 225 or 220F) for approximately 1½ hours (a skewer should come out clean). Allow to cool and refrigerate for at least 12 hours before turning out, slicing and serving with a dill sauce made as follows.

DILL SAUCE

1 egg yolk; 1 level tablespoon *Dijon mustard; 1 heaped* tablespoon dill weed; 1 tea*spoon* caster sugar; salt and white pepper to taste; 1 tablespoon lemon juice; about 6 fl oz mixed olive oil and sunflower oil; 1 tablespoon boiling water.

Combine the mustard, egg yolk, lemon juice, dill weed and sugar together and very, very *slowly add the oil until you* have a thickish mayonnaise-*type sauce, then finish off with* the boiling water and adjust seasoning.

To serve, place a slice of terrine on each plate, garnish with a sprig of herb and the head of a small flower and place a spoonful of sauce by the side of each slice. Offer with it hot *granary rolls or pitta bread.*

Suited for spring

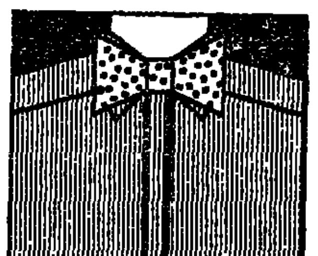
I have always been a great fan of the Paul Smith look for men. *I love his easy suits, the way* he has of making them look *up-to-date and fashionable* without being in the least bit unsettling *or startling.* He uses fine materials and traditional colours—he likes grey flannels and light navy blues, good woollen cloth with fine stripes and, above all, this spring he likes double-breasted jackets and easy trousers with pleats which, I am told, are blissfully comfortable to wear.

Good news for those who have not found a Paul Smith stockist near them before is that the Cue Shop at Austin Reed has commissioned *Paul Smith to do a special* collection for them and the suits, jackets and shirts are going into the Cue Shops next week.

Shown right, is one of the Paul Smith suits just going into the Cue shops now. In navy 100 per cent wool with fine red and light blue stripes or in grey with fine *red/yellow/cream stripes.* It is £155. The shirt worn *with it is in 100 per cent* cotton and comes in white, light blue, pink or yellow.

Cue shops can be found at *5, Eden Walk, Kingston-on-Thames; 136, Midsummer Arcade, Milton Keynes; 92, Queensgate, Peterborough;* and two more are opening shortly at 2, Kingshade Walk, Epsom; and 22, The Parade, Watford.

Shirt shape



Pauline Rosenthal

YOU WILL not be surprised to hear that this spring the well-dressed man will be wearing *(among other things)* a shirt. But not any old shirt. If you thought one shirt was much like any other one the shirt-manufacturers will be delighted to disabuse you.

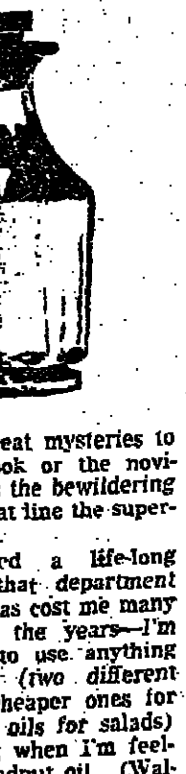
This year's shirt, they tell me, is noticeably different from last year's. It will probably be *more strongly-coloured*—last year's pale pastels (pace Cue at Austin Reed) are being replaced by deeper versions of the same colours. It will probably have a button-down or a cut-away collar and the fashion-conscious man will not be seen dead in anything but a shirt made from 100 per cent cotton.

At Van Heusen it is the same story—demand for 100 per cent cotton shirts is growing daily and to relieve the ironing problems there is now a collection *of shirts made from "easy iron"* cotton. Colours and patterns, it says, are stronger and bolder and shirts are becoming distinctly slimmer (one third of all shirts sold today are either "tailored" or "slim cut").

However, for those who are deeply attached to the shirts they already have, a kind reader wrote and told me about a marvellous service called New *Shirts for Old,* 284 Walsgrave Road, Coventry. If you send your old shirts to them they will replace frayed collars and cuffs with white polyester (£1.99 for the collar, £1.99 for the cuffs) or with white cotton versions (£2.24 for the collars, £2.24 for the cuffs).

If the collar can be turned they will do that for £1.20 and *if the shirt has a double cuff* and you want those turned they will also do those for £1.20. In addition you must add 35p to cover postage and packing. When you send your shirt, include a cheque, Access or Barclaycard number.

POSTSCRIPT



ONE of the great mysteries to the learner cook or the novitiate shopper is the bewildering array of oils that line the supermarket shelves.

I've nurtured a life-long prejudice in that department myself which has cost me many a penny over the years—I'm not prepared to use anything but olive *oil (two different* versions, the cheaper ones for *cooking, virgin oils for salads)* and sometimes, when I'm feeling poor, groundnut oil. (Walnut oil, of which I'm also a fan, is strictly for gourmet indulgences.)

So I welcome the attempt by Sainsbury's to elucidate the matter with a clear informative leaflet which is currently available from all Sainsbury's branches or can be sent by post if you write to the Public Relations Department, Stamford Street, London SE1 9LL.

The seven vegetable oils, groundnut, olive, sunflower, safflower, corn, soya and unblended vegetable oil, are all to be found on their shelves, and each has its own particular characteristic. Corn oil, for instance, is the best to use if ... dressing the salad; and ground nut for deep frying.

Two further tips that I've learned over the years, not included in the leaflet—firstly, a knob of butter added to oil (this works particularly well with groundnut oil) makes the oil taste of butter (while the oil, in its turn, prevents the knob of butter from burning). Secondly keep well away from any oil labelled simply "edible."

THE Designer Sale Shop has been going great guns at its two existing sites: 5, Park Walk, London SW10, and 24, Black Jack Street, Cirencester, Gloucestershire. There seekers after designer-label clothes at knock-down prices can find some of the most sought-after labels in town.

Happily for out-of-London readers, The Designer Sale Shop is beginning to expand — three new shops have already opened, one at 4, Cholmeley Crescent, Highgate, London N6, one at Cantax House, Lacock, Chippenham, Wiltshire, and one at Lynton House, East Boldre, Beaulieu, Lymington, Hampshire. More openings are planned for later in the year, but in the meantime for those who haven't yet discovered the shops let me explain a little more of what they offer.

Basically, most of the clothes on offer are on sale at about half the normal retail price. The shops themselves are not luxurious but have adequate changing rooms and clothes hung on simple rails.

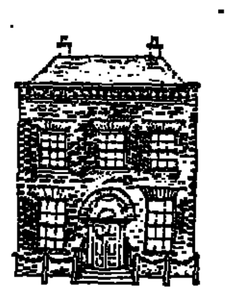
Among the most covetable names to look out for are Paul Costelloe, the Irish designer who produces such classic clothes, Coina (a collection by Georges Rech) and Griff ... Look out, too, for Lumiere, Oui T-shirts as well as bags and belts from Charles Jourdan and Mulberry.

HOW TO SPEND IT readers are clearly into decanters in a big way. One of the most persistent requests I get is from readers who have mislaid the address of the place where they can buy those "marvellous little tubes of crystals which ensure that all the moisture from the inside of the decanters is absorbed."

The little tubes of crystals were originally developed by an antique dealer who specialised in Georgian decanters and who was saddened by the fact that many of them had deteriorated and had a misty opaque look to the inside of the glass. His specially formulated crystals absorb all *the remaining moisture and* leave the decanter crystal clear. They can be used over and over again — if they *seem to lose their potency,* just put them under a low heat and they will be regenerated.

He no longer sells directly to the public but the Manor House, Hurley, Berkshire is selling them instead at £3.95 a pair (which includes an instruction leaflet as well as postage, packing and VAT).

IT'S barely a year since we moved house but the memory of it is still raw. Apart from the trauma of the move (over which I draw a veil on this occasion) there was the less traumatic, but infinitely more exhausting, business of trying to find the house of our dreams. The lunch-hours spent hurtling in taxis all over London, the A to Z's looking for obscure cul-de-sacs and roads that were always in the *crack of the page* —it's all enough to make one say, never again:



If I'd known then about Find-A-Home, I'd have been very tempted to use it. Find-A-Home has been started by Sarah and Miranda Bellville, two sisters-in-law, and between them they aim to find exactly the property you have in mind. You tell them the period you're after, the state of decoration, the minimum number and sizes of all the rooms, and all the other requirements and they guarantee not just to sift *through estate agents' sheets* (which you, too, could do from the comfort of your own armchair) but to inspect and see if it really does meet the requirement.

Given the time and shoe leather all this involves it would seem to me that any really busy person would do well to pay the initial £200 service costs. If the company is successful and finds you the house of your dreams, then you pay them 1 per cent commission (but you get your £200 refunded).

The company is new and as I have no intention of moving again I haven't tried it personally, but it sounds like a good idea. Find-A-Home is at 3 Sparkes Cottages, Graham Terrace, London SW1 (01-730

THE ARTS

Diplomatic soundings

With Respect, Ambassador is the third series in the line set up with *No, Minister* and *But, Chancellor*, and it emphasises Radio 4's increased concern with politics for the common man. Its potential interest lies between two opposing factors. In the first place, the carryings-on in the Foreign Office do not affect us as directly as the business of ministries like, say, the Exchequer or the DHSS. On the other hand, people enjoy looking at other people's lives when they are not only unfamiliar but involve standards of luxury above ours in the suburban semi-detached.

Of the first programme in the projected five, my judgment is only *Up to a point, Producer*. Entry into the Diplomatic is confined to the small number who have the necessary qualities, which are not only education at Eton and Trinity (or the current equivalent) but the ability to cope with emergencies in a hurry, and to charm visitors to the Embassy as you evalue them: in other words, it's not for you and me. Simon Jenkins interested me with his account of how a young diplomat has to plan his life (or have it planned for him), though I have to say that he made it sound duller than I have always imagined it. I found it easy to understand that what seems exciting at first may seem less so if you are still a First Secretary, which isn't nearly as high as it sounds, at one of our 153 embassies in your 40s. "Diplomats, at every level," says the Radio Times, "talk freely about their work." So you get those restless First Secretaries, apparently an enduring phenomenon, and sometimes like Burgess and Maclean they talk too freely, and to the wrong people.

Politics of another kind—and come to think of it, I'm not sure that the Diplomatic is concerned with politics at all—were dealt with in a more concrete way three days later in Radio 4's excellent series, *Analysts*. On Wednesday Hugo Young considered *The Future of Thatcherism*, which amounts to the problem of whether the original Tory radicalism still persists in the Government, and what its future is.

Mr Young had assembled a variety of Tory thinkers, some of them, like Sir Alfred Sherman and Lord Harris, less Tory than they were. This is not the place to discuss the several views, in descending order of satisfaction from those of John Biffen, who is satisfied with Tory policy and believes in consolidation, to such Erewhorian policies as reducing taxation in the cause of personal freedom, and persuading the taxpayers that they must live without the "imaginary benefits" of the things their taxes pay for. One of Mr Young's contributors, whose name I will have the kindness not to reveal, reckoned that it's time we put up the retirement age.

In another area of life, Radio 3 excelled itself on Thursday with a production of Pushkin's *Boris Godunov*—not Mussorgsky's, just Pushkin's, newly translated, and adapted for radio, by D. M. Thomas. Having only encountered the play surrounded by music, it hadn't struck me how completely Shakespearian it is, in every way except beauty of language. (I have enough faith in D. M. Thomas's ability to write poetic English to assume that the Russian text sounds as unpoetic as his English version.) Here it all is—a story taken from history and romanticised; soliloquies for the characters as well as dramatic dialogue; effective changes of pace. The direction by John Theocharis kept the story driving forward through its two hours, with some effective use of incidental music written by Prokofiev perhaps fresh from his Master Class. The 20-strong cast (plus five walk-ons, or whatever the radio equivalent is) included such names as Alan Howard (Boris), William Nighy (the young Grigory), Jane Lapotaire (Marina), John Rowe (Prince Shuisky).

This week's Monday Play, Rose Tremain's *Temporary Shelter*, was not much more than an interesting contrast of people meeting accidentally. The people were interesting enough to hold the attention, and attractively played. Roy Kinnear was Larry, who failed at pig-farming and is working his way back to success as a salesman, a process that makes him arrogant and intensitive. Anthony Newlands was Trist, a former actor who has realised his lack of talent, been left by his friend, and now lives wandering Europe as a tramp.

Larry and Trist have met in a French holiday-camp, but though each is individually worth inspection, too little is made of the encounter of two kinds of failure. Kay Patrick was the director.

RADIO

B. A. YOUNG

Educating Julie

A British cultural delegation, including artists, actors and a comedian, arrives in a Central American country which has been decimated by war and natural disaster. A synopsis for a picaresque piece by Graham Greene perhaps? "Not quite," says the actress Julie Christie, part of the delegation which returned this week from Nicaragua. "More like Borges," she suggests. "There was an extraordinary arts renaissance going on in the midst of all this ruin—it was magical."

There was certainly a touch of the bizarre about the welcoming concert laid on for the delegation by the Sandinista government. There were no concert halls and the Grand Hotel had been destroyed by the 1972 earthquake which reduced much of the centre of Managua to rubble. "So they said 'this is our reality'," explains Miss Christie, "and they held it in the ruined shell of the Grand Hotel."

There were great holes in the wall, rents in the roof and crumbling masonry all round as the delegates sat in what was the foyer of the once opulent hotel. They looked out on to the swimming pool which, covered with boards, served as a stage for the performance of Amerindian dance, illuminated by starlight.

The delegation, which included the playwright David Hare and the poet Roger Wodis, was organised by the professional comedian of the party—Andy de la Tour. All came away enthusing about the upsurge of popular culture.

Nicaragua, it seems, has become a nation of poets. The head of the Ministry of Culture is the Nobel prize-winning poet and priest Father Ernesto Cardenal. (I resist the temptation to ask what the actress said to the priest.) She describes his poetry as stunning, referring to a poem comparing Marilyn Monroe's body to a temple, peopled by the merchants driven out by Christ. "He understands so well the exploitation of the female image for profit," says Ms Christie with feeling.

The leader of the junta, Commandante Daniel Ortega, is something of a poet, too. His most famous verse also has the image of women in mind. It is entitled "When I was in prison they invented the mini skirt."

The delegation visited the poetry workshops which are held in factories, on the *barrios*, and among the peasants. Even the police and military hold their own poetry workshops. Julie Christie saw some of the results. "It was wonderful. All these policemen and soldiers, they just wrote about *love*. You know, 'Rosalie, I saw you standing at the corner!'"

Is there a lesson here for Sir Kenneth Newman, one wonders. Ms Christie thinks a British equivalent is unlikely. "I think there's a terrific scorn of culture in Britain, a kind of philistinism, that you don't get in France for instance. Not, she adds, in Nicaragua. Even the French, however, might lean towards the low-brow at the idea of supermarket poetry readings. But in Nicaragua, they park their wire trollies, sit down and listen.

Julie Christie passionately believes that, given the chance, everyone could be an artist. This is also the official view of the Nicaraguan Ministry of Culture, which backs 26 local Centres for Popular Culture holding workshops in painting, music and theatre. They emphasise indigenous Indian and pre-European culture.

Based in Managua, the ministry itself is housed in the mansion once owned by the wife of the former President Somoza, who was overthrown by the Sandanistas in 1979. When she first walked up to the building, Ms Christie had the uncanny sense that she'd been there before. "It was like very luxurious Beverley Hills houses that I've known. I knew how it had been furnished. But instead it was bare except for rudimentary office furniture and chairs with the stuffing falling out." Borges again?

Hand-in-hand with the cultural drive is the country's literacy programme, said to have raised literacy levels from 45 per cent in 1979 to 88 per cent. Everywhere they went, the delegates were astonished by the apparent thirst for knowledge. At the poorest *barrios* children begged for pencils, they said.

After nearly two weeks in Nicaragua, during which the November elections were announced, the delegation moved on to Honduras for a whirlwind three-day visit. David Hare relished their meeting at the airport with a British embassy official who told them: "Sorry, I know you're a cultural delegation, but there's no theatre in Honduras at the moment." As luck would have it, however, the official continued, there was one amateur dramatic company which was staging an English-language version of Neil Simon's *Plaza Suite*. The delegates made their excuses and left.

Ms Christie also made excuses the following night when the delegation was to attend a government reception. "They kept going on about *Dr Zhivago* and I can't bear it when people go on about *Dr Zhivago* so I stayed away."

Ironically, although enthusiastic and committed about Nicaraguan politics, she turned down the lead female role in the recently released film *Under Fire*, which told the story of a war photographer who sided with the Sandanistas when he was caught up in the 1979 conflict.

She turned the part down because she felt the woman's role, as a radio journalist, was overshadowed. "It seemed to me that her relationship was with her man, not her work." But she now regrets the decision, with characteristic generosity. "I think I made a mistake. But maybe that's because Joanna Cassidy has brought something to the part that I couldn't see in the script."

What turned Julie Christie, darling of the 1960s, into the committed campaigner? She says she wasn't always political. "I was in San Francisco in 1968 and there was a lot going on politically, but I wasn't involved in any way. I was just a passive observer at rock concerts." But she became caught up in the Californian self-discovery movement. "I've always been very sensitive to the interaction between humans and nature." So it was from there to ecology. "Let me see," she says impishly, "I think my first real campaign was the tuna fish boycott. Remember that?"

And from ecology to animal rights, to human rights, to Chile and to the peace movement. Is there a danger that she spends more time campaigning than acting? "Oh I don't want it to be that way at all. It's just that a lot of things have cropped up recently."

Right now, she's hoping to work with Nic Roeg again, on a film version of an American novel set in the 1920s and 40s. Negotiations are still in early stages, but one thing is certain: if the film goes ahead and she accepts the part, you can be sure that no one will have scrutinised the script more carefully than Julie Christie herself.

Julie Christie, in from Nicaragua, talks to **Annalena McAfee**

Gilels and Argerich

Beethoven: Piano sonata in B flat op. 106 ("Hammerklavier"). Emil Gilels. DG 410 527-1.

Schumann: Kinderszenen op. 15, Kreisleriana op. 16. Martha Argerich. DG 410 653-1.

Writing on this page last month, Max Loppert described Emil Gilels' performance of the Hammerklavier sonata at his Festival Hall recital as "one of the handful of continuously meaningful Beethoven performances of my experience." I am glad to borrow the phrase, for it fits my own experience exactly—both of that live performance, and of the record Gilels made of the same work a few months previously. Both show him at the pinnacle of his majority: performances of astonishing power and authority, and of the most pungent original character, which by one of those extraordinary paradoxes of the greatest musical re-creation are at the same time self-effacing, and seem to have dispensed entirely with the intermediate filter of "interpretation." It is the composer's meaning, without gloss or redundant colouring, which has been preserved.

That, of course, is a kind of mirage: for it's only after a lifetime of interpretation and re-interpretation that the wheel can turn full circle, and the deepest insights of innocence are achieved. Both of Gilels' Hammerklaviers—the live performance predictably a shade more capricious, more highly wrought in manner and contrast, and for that perhaps still more telling—had in their avoidance of complication as much as their understanding and penetration of complexity just that quality of transcendental artlessness which is the hallmark of the highest art.

The matter of the "right" tempo is invariably relative and subjective. Gilels' tempos seem exactly right. His opening allegro is slow enough to permit the shaping of massive dimensions with great imaginative freedom, but fast enough to ensure exciting momentum, never maestoso: it packs an irresistible punch. His account of the adagio sostenuto slow movement, the heart and still centre of the Hammerklavier, and one of the greatest creations in all music, is a miracle of lyrical distillation. There is no attempt to fudge, nor above all to prettify, any issue. The tempo is the slowest sustainable (the movement lasts just 20 minutes) without labouring the pulse; but it is plain that any faster speed would have clouded such a radiant unfolding, and dimmed its ardour. The introduction to the finale rises out of the adagio like a mist: the basic stuff, pale and mysterious, from which the hard metal of the fugue is eventually and magically forged.

The reading is by and large scrupulously attentive to Beethoven's text. The few interpretative surprises—a handful of unusual emphases, one or two reverse dynamics, a pronounced ritardando in the coda of the scherzo—are neither eccentric nor wilful, but liberties perfectly consistent with the performer's broad and lyrical view. DG's digital recording is exceptionally warm and clear. There is no division of movement: the last two, nearly 34 minutes of music, appear together on the second side without perceptible loss of sound quality or any trace of pre-echo—itself a remarkable technical achievement.

If I confidently nominate Gilels' Hammerklavier, even so early in the year, as one of the finest records of 1984, I do too without hesitation for Martha Argerich's Schumann. Her recital of *Kinderszenen* and *Kreisleriana* makes most recent Schumann records—invidious to name names, though I specifically except Charles Rosen's remarkable three-disc Schumann collection newly issued by Etcetera—seem precious, pedestrian. She is a Schumann pianist par excellence: from the heart to the tips of the fingers; the technical command is faultless; the textural command is ravishing.

This *Kreisleriana* in particular is one of the most stirring that I know on record. Every page is alive with vivid fantasy: the manner is authentically impulsive, mercurial, but without a moment's blurring: the focus is exhilaratingly close, and unerringly clear. The line dividing greatness from excellence is never easy to define: but Argerich, I believe, crosses it here.

RECORDS

DOMINIC GILL

Brighton Festival

The UK premiere on May 7 of the opera *Halka* by Moniuszko is one of the highlights of the Brighton Festival's Warsaw Opera Week which this year is being sponsored by Trustcard, the TSB's VISA credit card.

F.T. CROSSWORD PUZZLE No. 5,363

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

ACROSS

1 It indicates the extent to unload foreign currency (8)
5 Moved quickly to get round it, but thwarted (6)
9 Some, in the past, embraced fashionable prophets (8)
10 Marks made by burning pieces of wood (6)
12 Measure area to enclose (9)
13 How nervous strain affects everyone, including the proprietor (5)
14 Approve in advance (4)
16 Batter gets some protection (7)
19 Piece of old land (7)
21 Part of the hand revealing character (4)
24 The current amount written by the French is extensive (5)
25 Horrified to see a Cardinal point when leading Mass (9)
27 Russian veto is unusual (6)
28 Made a mistake giving young lady a fur (8)
29 Priest gets involved with goblin (6)
30 The idiots get sore, pointlessly, at referee (8)

DOWN

1 Run or climb up it (6)
2 There's no means of holding a colt (6)
3 Note the least loss of hesitation (5)
4 Studies again reader's version (7) . . .
6 . . . for each previous artist (9)
7 There was no net available to hold tool up (5-3)
8 Distinct, but the sound is unobtrusive (8)
11 Sailor succeeded in becoming emperor (4)
15 Come down together into a cellar (9)
17 A rider reels drunkenly about and falls off (8)
18 Don't go across: pull in for a rest (4, 4)
20 Parking skill revealed when reversing ponycart (4)
21 Acknowledges advances (7)
22 Bend in deck caused by pressure (6)
23 Irregular streak goes across the ice (6)
26 Experience inside is just as terrifying (5)

Solution to Puzzle No. 5,362

H	O	B	L	A	W		S	E	N	T	I	N	E	L
O		A		C				X		U		A		A
W	I	C	K	E	D		K	I	N	G	D	O	M	S
A		K		O		H		T		O		H		A
R	E	S	O	L	V	E	D		O	F	F	I	N	G
C		L		D		A		C		W				N
H	A	I	R		F	R	E	E	S	A	M	P	L	E
		D		A		T		R		R		O		
D	E	E	P	B	R	E	A	T	H		D	I	S	C
R				S		N		A		A		N		O
E	S	T	A	T	E		D	I	C	T	A	T	O	R
S		E		R		O		N		T		D		O
S	U	N	B	U	R	N	T		R	E	T	U	R	N
E		O		S		C				S		T		E
R	E	N	D	E	R	E	D		S	T	A	Y	E	R

SOLUTION AND WINNERS OF PUZZLE No. 5357

K	E	M	P	T	O	W	N		U	P	K	E	E	P
I		O		E		H				O		R		A
R	H	O	D	I	T	E	S		A	L	T	A	I	R
S		R		L		E		N		I		T		A
C	E	L	L	O		D	R	I	F	T	W	O	O	D
H		A				L		B		B				I
	E	N	T	R	E	E		S	O	U	S	I	N	G
S		D		O						R		N		M
M	U	S	T	A	F	A		S	M	O	O	T	H	
A				S		B		U				U		E
S	L	O	W	T	R	A	I	N		B	E	I	G	E
H		T		B		S		S		L		T		H
H	A	T	R	E	D		A	P	H	O	R	I	S	E
I		E		E				O				O		I
T	H	R	I	F	T		S	T	A	M	M	E	R	

Mrs B. M. Wrench, 15 Fleetwood Avenue, Felixstowe, Suffolk.

Mr Ian Henderson, 5 The Green, Barrowfield, Hove, Sussex.

Mr B. J. Davies, 38 Carlton Avenue, Wilmslow, Cheshire.

† Indicates programme in black and white

BBC 1

6.20-8.25 am Open University. 8.35 Godzilla in "The Magnetic Terror" (cartoon series). 9.00 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.45 News: Football Focus (12.20); Boxing (12.50) This week's action comes from the Civic Hall in Wolverhampton as Clinton McKenzie fights Aday Allen; Racing Preview (1.10); Racing from Chepstow (1.25, 1.55, 2.25); Athletics (2.10, 2.40, 4.15) England v U.S. from RAF Cosford; Rugby League Preview (3.20): Rugby League (3.30, 3.55) Highlights of one of today's third round ties for The State Express Challenge Cup; Final Score (4.35).
5.05 News.
5.15 Regional Variations.
5.20 The Rod and Emu Show.
5.55 Jim'll Fix It.
6.30 Comedy Classic: "Some Mothers Do 'Ave 'Em"
7.05 The Action Film: "Skin Game" starring James Garner.
8.45 News and Sport.
9.00 Driving Ambition.
9.50 Wogan with tonight's guests Roger Cook, David Essex, comedy duo French and Saunders and Sir Peter Hall.
10.40 Match of the Day.
11.40 Late Night Horror: "Daughters of Satan."

REGIONAL VARIATIONS:

Wales—12.15 pm Grandstand as BBC1 except 2.35-3.20 Snooker—The 1984 Welsh Professional Championship. 5.15-5.20 Sports News Wales.

Scotland—5.15-5.20 pm Scoreboard. 10.40-11.40 Sportscene.

Northern Ireland—4.55-5.05 pm Northern Ireland Results (opt-out from Grandstand). 5.15-5.20 Northern Ireland News. 1.05 am Northern Ireland News Headlines.

England—5.15-5.20 pm London—Sport; South-West (Plymouth)—Spotlight Sport: All other English regions—Sport/Regional News.

BBC 2

6.25 am Open University.
†3.20 pm Stars of the Silent Screen: Tom Mix in "Riders of the purple Sage."
†4.15 Saturday Cinema: "Not as a Stranger" starring Robert Mitchum, Olivia de Havilland, Frank Sinatra, Gloria Grahame.
6.25 Modern Art: Picasso's "Guernica."
6.50 Sight and Sound in Concert.
7.30 News and Sport.
7.45 Haitink Conducts Mahler.
9.30 The Light of Experience Revisited.
9.50 C. P. Snow's "Strangers and Brothers."
10.40 News On Two.
10.45-12.40 am Claude Chabrol's "Nada" (French film with English sub-titles).

LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 The Saturday Show.
12.15 pm World of Sport: 12.20 Table Tennis—The Norwich Union English closed championship: 12.45 News: 12.50 On the Ball with Ian St John, Jimmy Greaves: 1.20 World Cup Skiing from Aspen, Colorado plus the Women's Downhill from Mont St Anne, Canada: 1.40 The ITV Five from Ayr and Sandown (introduced by John Oaksey and Brough Scott): 3.05 Women's Hockey—England v Ireland from Wembley Stadium: 3.45 Half-time Soccer Round-up: 4.00 Wrestling: 4.45 Results.
5.00 News.
5.05 Fraggle Rock.
5.35 Whiz Kids.
6.30 Child's Play.
7.00 3-2-1.
8.00 T. J. Hooker.
9.00 News and Sport.
9.15 "9 to 5" starring Jane Fonda, Lily Tomlin and Dolly Parton.
11.15 London News Headlines followed by Rock Concert (Crosby, Stills and Nash).
12.15 am Best of Saturday Night Live with Eric Idle and Joe Cocker followed by Night Thoughts with Baroness Lane-Fox.

CHANNEL 4

1.55 pm Living in the Same World.
†2.20 "Gentleman Jim" starring Errol Flynn with Alexis Smith, Jack Carson, Alan Hale, John Loder and Ward Bond.
†4.15 "Coney Island" (Fatty Arbuckle and Buster Keaton get into some chaotic trouble on Coney Island. Amazingly, Keaton smiles!)
4.35 Mama Malone.
5.05 Brookside.
6.00 No Problem!
6.30 The Other Side of the Tracks.
7.30 News Headlines followed by Union World.
8.00 Twenty Twenty Vision.
8.30 Edouard Manet.
9.00 Atomic Artist.
9.30 The Avengers.
10.30 Ten Years in an Open-Necked Shirt.
†11.40 "They Won't Forget" starring Claude Rains, Otto Kruger and Lana Turner.

S4C WALES

1.40 pm A Week in Politics. 2.20 Basketball. 3.15 Feature Film: "The Major and the Minor." 6.05 Yr Awr Fawr. 6.05 The Incredible Hulk. 7.00 Ser. 7.30 Newyddion. 7.45 Sword Ddu. 8.25 Treasure Hunt. 9.25 Y Maes Chwarae. 10.40 Cynhadledd '84 SDP. Caerdydd. 10.50 Arolwg. 11.20 Film: Stuffing. 11.45 Feature Film: "Down Three Dark Streets."

REGIONS

IBA Regions as London except at the following times:

ANGLIA 9.35 am Vicky the Viking. 10.05 Stingray. 5.35 Knight Rider. 12.15 am At the End of the Day.

CENTRAL 9.25 am The Wonderful World of Professor Kitzel. 11.15 pm Superstars of Music: Jerry Lee Lewis.

CHANNEL 9.25 am Thunderbirds. 10.20 Gus Honeybun's Here. 12.14 pm Channel Islands Weather Summary. 5.05 Gus Honeybun's Here. 5.10 Fraggle Rock. 5.40 Whiz Kids. 11.15 Superstars of Music: Jerry Lee Lewis in London.

GRAMPIAN 9.30 am Noddy. 9.45 The Smurfs. 10.10 Falcon Island. 11.15 pm The Devlin Connection. 12.15 am Newhart. 12.45 Reflections.

GRANADA 9.25 Sesame Street. 10.20 Cartoon. 11.15 Earth, Wind and Fire in Concert. 12.20 am Thriller.

HTV 9.25 am Sesame Street. 10.25 Cartoontime. 12.13 pm HTV News. 11.15 pm Rugby: Waterloo v Bristol. 12.00 Hill Street Blues.

HTV Wales—As HTV West except: 11.15 pm Hill Street Blues. 12.10-12.40 am Newhart.

SCOTTISH 9.25 am Cartoon. 9.35 Happy Days. 10.00 The Flying Kiwi. 10.25 Centinflas. 11.15 Late Call. 11.20 The Saturday Night Music Show: Rita Coolidge.

TSW 9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Freeze Frame. 10.27 Gus Honeybun's Magic Birthdays. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 Fraggle Rock. 5.40 Whiz Kids. 11.15 Superstars of Music: Jerry Lee Lewis in London. 12.15 am Postscript. 12.20 South West Weather.

TVS 9.25 am Walrus. Wanted. 9.35 The Smurfs. 10.00 Mork and Mindy. 12.12 pm TVS Weather. 5.35 Knight Rider. 11.15 Jazz from Robbie Hutcherson. 11.45 Comedy Tonight. 12.15 am Company.

TYNE TEES 9.25 am Morning Glory. 9.30 Sport Billy. 9.55 The Flying Kiwi. 10.25 TT Time. 12.13 pm North East News. 5.05 North East News. 5.07 Fraggle Rock. 5.40 Whiz Kids. 11.20 Rock Special—The Average White Band. 12.20 am Poet's Corner.

YORKSHIRE 9.25 am Melotones. 9.35 The Flying Kiwi. 10.00 University Challenge. 11.15 Pro-celebrity Snooker: David Taylor and Bill Maynard v Ray Reardon and Ian Botham. 12.00 House Calls.

RADIO

(S) Stereo when broadcast on VHF

RADIO 1

6.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm Hitsville USA (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.20 In Concert featuring Kissing The Pink (S). 6.50 Sight and Sound in Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm Bernie Clifton's Comedy Shop. 1.30 Sport on 2: Football FA Cup 6th round: plus second half commentary at 3.55 on the top tie of the round; Athletics: Commentary from Cosford on England v USA; Rugby League: Commentary on The State Express Challenge Cup, 3rd round; Rugby Union: Commentary on Racing from Sandown Park at 2.35; 5.00 Sports Report. 5.45 Cricket: Preview of the 2nd Test between Pakistan and England; 5.45 Racing results. 5.55 Pools news and results. 6.00 Folk on 2. 7.00 Jazz Score with chairman Peter Clayton. 7.30 Stars of Friday Night is Music Night (S). 9.30 Big Band Special (S). 10.0 Sports Desk. 10.5 Saturday Rendezvous (S). 11.0 Ken Bruce (S). 1.00 am Jean Challis presents Nightride (S). 3.0-4.0 Wally Whyton with Country Concert (S).

RADIO 3

8.0 am News. 8.5 Aubade (S). 9.0 News. 9.5 Record Review (S). 10.15 Stereo Release (S). 11.15 BBC Philharmonic Orchestra, part 1 (S). 12.10 pm Interval Reading. 12.15 Part 2. 1.0 News. 1.5 Mozart and Schubert piano recital (S). 2.0 Dreamers of Dreams (S). 4.0 Kodaly (S). 4.30 Beethoven (S). 5.0 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Nicholas Daniel (S). 7.5 The Living Novelist. 7.35 BBC Symphony Orchestra: Tchaikovsky, Chopin, Scriabin (S). 9.0 City Faces. 9.20 Bernard Roberts (S). 10.10 Gluck's Don Juan (S). 10.45 Lascus (S). 11.15-11.18 News.

RADIO 4

7.0 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain with Norman Tozer. 7.55 Weather; Travel; Programme News. 8.0 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.45 Yesterday in Parliament. 8.57 Weather; Travel. 9.0 News. 9.5 Breakaway. 9.50 News Stand. 10.5 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm The News Quiz (S). 12.55 Weather. 1.0 News. 1.10 Any Questions? from Wotton-on-Edge, Gloucestershire. 1.55 Shipping Forecast. 2.0 News. 2.5 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.5 Wildlife. 3.20 Wavelength (S). 4.0 News; Radio News Special Report. 4.30 Does He Take Sugar? 5.0 Take Sugar? 5.0 The Chip Shop (S). 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel; Programme News. 6.0 News; Sports Round-up. 6.25 Desert Island Discs (S). 7.5 Stop The Week with Robert Robinson (S). 7.45 Baker's Dozen with Richard Baker (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.0 News. 10.15 Positively The Last Prima Donna. A portrait of the operatic soprano Maria Jeritza. 11.0 Lighten Our Darkness. 11.15 Living Language (S). 11.45 A Sideways Look at . . . oats. 12.0 News. 12.15 ways Look At . . . by Anthony Smith. 12.15 Shipping.

RADIO LONDON

7.02 am Good Fishing. 8.4 London Today. 9.3 Inside London. 9.30 Corridors of Power. "On The Rates". 10.2 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.2 pm Breakthrough. 3.30 The Great Commoners. 5.0 Guidelines. 6.30 Evening Star. 7.30 Hold The Front Page. 8.0 Solution Ear. 8.30 Good Fishing. 9.0 As Radio 1. 12.0-6.0 am As Radio 2.

LONDON BROADCASTING

7.0 am AM with Peter Deeley. 10.0 Clive Dunn's Fix-It Phone-In. 1.0 pm Sportswatch with Dominic Allen and Andrew Gidley. 6.0 The Key Reports. 7.0 Gert Mile with Suresh Joshi. 9.0 Network: Local Hero—Local Village. 10.0 Adrian Love's Nightline. 1.0 am Steve Allen's Night Extra.

CAPITAL RADIO

7.00 am The Breakfast Show. 10.00 Pick of the Pops—Take Two. 12.00 Love Song. 2.00 pm Afternoon Delight. 7.00 Greg Edwards' Soul Show. 9.00 Rock Rockers. 11.00 Foreign Affair. 12.00 Midnight Special.

CHESS SOLUTIONS

Solution to Position No. 506

1 . . . R-R6! 2 RxP ch. NxR; 3 BxR, N-Q6 with a decisive attack. The game ended 4 Q-R7 ch. K-R3; 5 K-B2, QxP ch; 6 K-Q1, Q-B8 ch; 7 K-K2, N(N3) xP ch and White resigned because of QxP mate.

Solution to Problem No. 506

1 R-K8. If 1 . . . K-R2; 2 P-Q8=B, K-R1/N1; 3 B-N6. If 1 . . . K-B3; 2 P-Q8=B, K-Q3; 3 R-K6.

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 8954871. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Guiollettstr. 54, 6000 Frankfurt-am-Main 1, West Germany.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

WINE/COLLECTING

The Bordeaux battle . . . and one up for St Emilion

BY EDMOND PENNING-POWSELL

TO MANY drinkers of Bordeaux wines the classifications of certain growths and the non-classification of others cause confusion and some cynicism.

They began in an official, regulated way in 1855 when the organisers of the Paris International Exhibition of that year demanded a categorised list of the best growths, red and white, of Bordeaux that could be put on display.

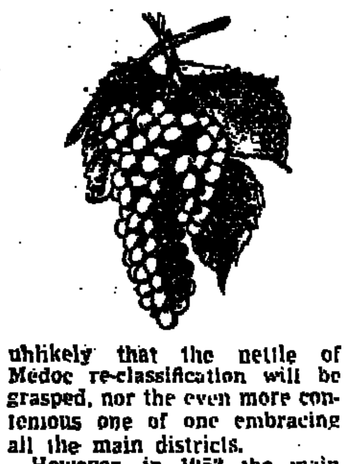
The task was given by the Bordeaux Chamber of Commerce to a committee of wine brokers, and they drew up a list in five ranks, based on precedent and price over the years, of some 60-od red wines and in two classes 24 whites.

Outside the Medoc, only Haut-Brion was included among the reds, probably because it was really the original "premier cru." None of the other red Graves appeared to rank, while no Bordeaux broker probably ever drank, let alone bought and sold, these "rustic" wines, grown more than two rivers away in St Emilion. (Pomerol was even further beyond the pale and only secured a separate delimitation as recently as 1923.)

It took Mouton-Rothschild nearly 80 years to secure the first-growth status it believed it deserved: withheld almost certainly in 1855 because its wines did not generally secure the prices of the first-growths.

The white wine classification was restricted to Sauternes and Barsacs, for no one then thought seriously about any of the dry Graves.

So matters rested for about a century. While the chosen growths of the Medoc were proud enough of being "classé," hardly any save the firsts cared to disclose their exact class order on their labels.



Although in some respects the ranking has remained remarkably consistent because, of course, quality is based on the soil, in other ways it has become out of date and too exclusive. Among the second-growths are now ranked third-growth Palmer, fourth-growth Beychevelle and even fifth-grown Lynch-Bages. These are now known in Bordeaux trade circles as "assimilé."

On the other hand some growths would certainly lose their place in any new re-classification. Such a re-examination was increasingly called for in the 1950s and 1960s, although strongly opposed by the classed-growths themselves; and so successfully that although an official decree was issued in 1972 setting out a competition for a new but restricted classification, only Mouton-Rothschild benefited, and it is highly unlikely that the nettle of Médoc re-classification will be grasped, nor the even more contentious one of one embracing all the main districts.

However, in 1953 the main red wines of the Graves were classified, and its dry white six years later. In 1954 St Emilion produced a classified system of its own, in which there were 12 premiers grands crus classés (later increased to 12 owing to the division of Beauséjour), and 62 grands crus classés. Below that was a big range of crus classés, based on anual tasting.

Indeed the chief difference in the historic Medoc classification and the St-Emilion one was that the latter depended on a vintage-by-vintage tasting: a system now covering all French appellaion contrôlée wines.

The "premiers" were divided into "A" and "B," with Ausone and Cheval-Blanc in the former rank and such growths as Canon, Figeac, Magdelaine and Pavie, in the latter.

More recently a semi-official classification of the Médoc crus bourgeois has taken place, covering about 120 growths, but some well-known estates have not joined, possibly because they hope for higher status in a future Médoc re-classication.

The St Emilion classification was provisional, as it was expected then that the Médoc would be re-classified, and it was agreed that the St Emilion one should be re-examined after 10 years. In fact it was not until 1969 that this was done, with the number of grands crus classés increased to 72.

Now, however — and one up to St Emilion — a further official re-examination is in course of taking place. A basic change is that the four appellations, St Emilion, St-Emilion Grand Cru, St-Emilion Grand Cru Classé and Premier Grand Cru Classé have been reduced to two: St-Emilion and St-Emilion Grand Cru, with the two higher ranks being categories of the latter appellation.

It is for admission or re-admission to these two categories that the current examination is about.

In 1954 the commission making the awards consisted, as in the 1855 one, entirely of brokers but this time although headed by the chairman of the Bordeaux brokers' association and with several broker members, the nine-man body now includes representatives of other wine interests.

Applicants for registration in one or other of the two categories—and they must include every estate from Ausone and Cheval-Blanc downwards have to submit to the commission by the middle of this month (March) a full statement of their affairs.

Each wine must have had similar presentation for normal use in this period, and the estate provided with adequate resources and cellars for the exclusive preparation of its wine. At least 50 per cent of the vines claiming grand-cru status must be more than 12 years old, and in seven of the last ten years the wine must have secured the grand-cru or premiere grand-cru appellation.

Other factors may also be taken into account, such as the appearance of the vineyard, the reputation of the estate, the amount of promotional activity undertaken and the consistent quality of the wine.

It is highly unlikely that any significant changes will be made in the existing list of these two superior classifications, if only because the decree firmly states that the total cannot exceed 90, compared with the existing 84.

A few changes that have occurred among the long premiere grand cru list will be taken account of, and it is possible that a few grands crus whose entitlement to this "label" is based on an annual tasting, will be promoted, although on a reading of the decree this looks hardly possible.

Similarly there may be some aspirants among the grands crus classés for elevation to premier status. Moreover M Thierry Manoncourt of Figeac, who has never under-estimated the quality of his wine vis-à-vis his neighbourhood at Cheval-Blanc, might well seek to join the pair in the "A" bracket.

Certainly the most distinctive of the ten premier "Bs," this would not be unreasonable, but French wine growers are no less guardians of the status quo than most other farmers; and Figeac, though by no means inexpensive, has not reached the price-level of Ausone and Cheval-Blanc.

Nevertheless, even if changes are likely to be few, this check-up is to be welcomed, for it must keep the growers on their toes.

Boom in the better class of glass

BY JUNE FIELD

STUDIO CERAMICS are now firmly established on the collecting scene. Studio glass has only fairly recently become a growth market and one which could increase dramatically.

As Thomas Beuchner, the then director of the Corning Museum of Glass, observed in the catalogue of their 1979 exhibition in New York, which came to the Victoria and Albert Museum in 1981: "Suddenly glass has become a medium of the Fine Arts, a material in which to conceive and create often directly, for purely aesthetic purposes."

In the first Corning exhibition held in 1959, there were around 1,800 entries; in the later one 6,000 entries by 970 artists were received from 29 different countries, the studio pieces far outnumbering the industrial designs.

British collector-dealer Dan Klein first began collecting post-war glass about eight years ago, mainly as an antidote to dealing in art nouveau and art deco. "It was a form of relaxation to be able to wander around antique shops and markets, knowing that while there was fierce competition for any piece of Lalique or Galle, Orrefors or Venini glass sat around waiting for buyers."

Orrefors, a leading Swedish manufacturer, was originally an ironworks in 1726, converting to glass in 1898 when it produced medicine and in bottles, window panes and cheap domestic glass; by 1913 it had turned over to decorative ware.

Paolo Venini (1895-1959), a Milanese lawyer, founded his works in Murano in 1921. In the 1850s he introduced the famous "handkerchief" bowl, vaso fazzoleto, made of retro a retorti, literally, glass with a twist.

Work from both of these companies are in the stimulating exhibition Studio Glass Since 1945—The Dan Klein Collection at the Brighton Museum until May 20, which goes on to the Pilkington Museum, St Helen's, June 1-30.

Displayed is a remarkable array of colourful, eye-catching and brilliantly executed glass mainly by big name designers.

Finnish architect Aalto Alvar's moulded vase in clear glass, made by Iittala has curling vertical sides in an assymetrical form. Designed 1937-1938, it is still in production today. And Fulvio Bianconi's beautiful squashed diamond-shaped vase with diagonal stripes, designed for Venini in 1960, has a look of multi-coloured silk taffeta.

Bees decorate Edvard Hald of Orrefors' spherical vase in "graal" glass, name inspired by the Holy Grail. (The process, first developed in 1916, involves making an object in coloured glass by cutting and etching the pattern, and then subjecting the piece to the heat of the furnace to impart fluidity and smoothness, and finally "flashing" with clear glass.)

The objects in the collection range from fish to birds, bowls to sculptural forms, bottles, candlesticks and paperweights. The strangest, yet most dramatic must be Samuel J. Herman's misshapen vase with an irregular gaping hole in one side; in bubbled blue glass, it has an applied band of iridescent pinky amber-hued jagged "teeth" swirling around the base.

(Herman, 48, who was born in Mexico, is generally acclaimed as introducing studio glass to Britain, setting up the original Glasshouse in 1969 in Covent Garden. He now has a studio in Chelsea Wharf, SW10.)

Venini "handkerchief" glass in the exhibition "Studio Glass Since 1945—The Dan Klein Collection" at Brighton Museum until May 20.

The 250 exhibits, from designers in 12 countries, are concisely described in the informative catalogue £2.50 from the exhibition organiser Lianne Jarrett, Brighton Museum, Brighton, East Sussex.

There are still many more names to be taken into account, and indispensable for the collector will be The History of Glass, £25, to be published by Orbis on July 23. It includes a chapter on glass since 1945, written by Klein.

The most important considerations for the glass-collector are technical skill, style and an object's aesthetic appeal. Condition is also of major importance. Damaged glass rarely has any worth.

As for prices, the more complicated the technique, the more expensive the glass. Equally, the more well-known the artist the more costly the piece. "The two main criteria for judging contemporary glass are those of technical brilliance and of artistic expression," says Dan Klein, who sells studio glass at his gallery in Halkin Arcade, Motcombe Street, London SW1.

"For a good piece by Alto, who died in 1976, you might have to pay £400 to £500, and a Venini has been known to make more; although you could be lucky and discover an unrecognised piece for very much less. This is where a trained eye comes in, to identify the style and the marks."

The tomato variations

GARDENING

ARTHUR HELLYER

MANY greenhouse owners use their greenhouses for raising seedlings of many kinds in the spring and then for tomatoes in the summer. This is a sensible division but it does need rather careful timing if the tomatoes are to be raised at home from seed as it is no use having them too far advanced before the time that the greenhouse can be sufficiently emptied to contain them. It takes nine or ten weeks from sowing date to produce sturdy 6 inch high tomato plants suitable for planting in a greenhouse border or in rings or growing bags so, assuming that sufficient of the other seedings will be out of the way by mid-May, the present would be a good time to sow tomatoes.

Alternatively well developed tomato plants can be purchased in any garden centre in May but the range of varieties available will be much less than that offered now in seed packets. So, if you have strong opinions about tomato flavour, as many people certainly do, it will be wise to buy and sow seed of your preferred variety now. I was amused to see in a recent "Gardening from Which?" survey of tomatoes that only one variety obtained any wide approval for quality and this was the very small fruited, rather light cropping Gardener's Delight. This should not be read as a condemnation of all other varieties but rather as an indication of the great differences in what people look for in a tomato. I tend to grow a different one every year and my family rarely complains.

Tomato seed needs a temperature of around 65 deg. F. for rapid germination and this can be maintained now in most heated propagators. Since the seedlings are best pricked out when their first pair of true leaves (not cotyledons) commence to develop and at a time when their roots are still very fragile, it is wise to use a light compost for germination such as a peat based seed compost with some added perlite or vermiculite. The seed germinates best in the dark so the seed pan should be covered with a piece of newspaper to be removed immediately the first seed leaves appear.

For pricking out a richer potting compost is required for tomatoes are hungry, fast-growing plants. By the time the little plants are ready to go singly into small pots they will need something like John Innes No 2 which contains a generous quantity of plant food. Throughout this period the temperature should be kept at 55 degs F or higher.

Once past the seedling stage, there are several ways of growing tomatoes in greenhouses. The most basic is to plant them 15 in 18 in apart in a bed of good soil on the greenhouse floor. This is the system I have returned to after trying other methods for a number of years. What has brought me back to it is that it is the simplest system to manage. There is sufficient soil in the bed to contain a lot of plant food and, though I do give more periodically throughout the summer, there is no great disaster if I am a few days late.

Much the same applies to water. If given a good soaking in the morning there is little likelihood of plants flagging, however hot and dry it may be. As an additional safeguard I have installed a simple siphon tank fed by a drip feed and supplying water by gravity and trickle tube to the bed below. If I am going to be away for a few days I open the drip feed a little more and leave the plants on this "automatic pilot."

There are, of course, disadvantages. The soil must be changed annually and there is quite a lot of barrowing out and in. The plants are apt to make a lot of growth and ripening may be a few days later than by other methods. But on balance I find it suits me well.

A great many commercial growers favour growing bags because they are economical both of labour and material and the plants are under close control. They have also become very popular with amateurs mainly, I think, because they are convenient and take a lot of the guesswork out of growing. The two drawbacks that made me give them up are their day-by-day dependence on the gardener for both food and drink.

The compost in growing bags is usually peat plus fertiliser but it is difficult to provide more than about a month's food supply and after that they must be fed regularly. The commercial growers do this easily enough by using a dilutor to feed precisely the right amount of liquid feed into the water supply. Amateurs must usually do it by hand measuring the right amount of fertiliser into the watering can once a week. It takes time and care and if it is neglected the plants quickly suffer and it may be difficult to ge them back into good growth. But for the careful gardener who is at home at least some time each day growing bags do make it easy to escape soil-borne diseases and pests and to grow very good tomatoes even if the greenhouse floor is concrete or gravel.

CHESS

LEONARD BARDEN

THE ENTRY for the Phillips and Drew GLC Kings at County Hall, London, from April 26 to May 11 is probably the strongest for a British tournament this century. Those in action will be Karpov, Vaganian and Polugaevsky of the USSR, Korchnoi (Switzerland), Andersson (Sweden), Ribli (Hungary), Timman (Holland), Seirawan (U.S.), Torre (Philippines) and the British players Miles, Nunn, Mestel, Speelman and Chandler.

Assessed by the latest World Chess Federation list, the event will be category 14 with an average rating of 2591, slightly better than the 2585 of Phillips and Drew/GLC 1982. There are nine "super-grandmasters" rated 2600+ compared with six last time.

But the special interest is the participation of Karpov and Korchnoi, the first time these great rivals have crossed pawns in a tournament since Korchnoi's defection eight years ago. In that period they have contested two bitter world title matches conducted at a high level of personal hostility. Now the Soviet boycott of Korchnoi is over; yet nobody would describe K and K as friends. It is already safe to forecast that the most televised and photographed moment of Phillips and Drew/GLC 1984 will be the day that they are paired and a handshake is offered/not offered and accepted/refused.

Ratings are not the be all and end all of status, and some will still argue that the greatest ever British tournament was Nottingham 1936 where five world champions, past, present and future competed. Of the 15 players at Nottingham only Botvinnik, Fine and Reshevsky are still alive and these three are also survivors of the historic Avro, Holland, event of 1938.

When Botvinnik visited New York late in 1983 for a computer tournament, Manhattan Chess Club officials arranged a reunion between him and the two Americans who he last met over 20 years ago. Chess Life captures the moment with a colour cover photo showing Botvinnik stern, Reshevsky quizzical, Fine (who abandoned chess for a more prosperous career as a psychiatrist) jovial and relaxed.

True genius is durable. Despite two heart attacks, Reshevsky is an active tournament competitor at 72, and his latest result is every bit as memorable as his Nottingham and Avro achievements. Last month in Reykjavik he shared first prize unbeaten—the oldest ever winner of a major tournament — ahead of many younger lions of the world circuit. This week's game bears the stamp of Reshevsky's style—a quiet opening with a small initiative, shrewdly placed minor pieces, a sharp eye for tactics and precise technique.

White: S. Reshevsky (U.S.). Black: M. Solmundarsson (Iceland).

Queen's Gambit Accepted (Reykjavik 1984).

1 P-Q4, P-Q4; 2 N-KB3, N-KB3; 3 P-B4, PxP; 4 P-K3, B-N5; 5 BxP, P-K3; 6 P-KR3, B-R4; 7 QN-Q2, QN-Q2; 8 B-K2, P-B4; 9 O-O, B-K2; 10 P-QN3, O-O; 11 B-N2, R-B1; 12 P-QR4, N-Q4.

Black's gambit pawn capture on move 2 makes for a solid reliable opening, recommended as an all-purpose counter by Cafferty and Hooper in A Complete Defence to 1 d4 (Pergamon). Here he should neutralise White's long diagonal bishop while forcing exchanges, so better is 12 ... PxP; 13 NxP, BxB; 14 QxB, N-B4.

13 N-B4, PxP; 14 NxP, BxB; 15 QxB, N-B4; 16 KR-Q1, N-K5.

Black's plan is a double attack against QB6, but there is a tactical flaw which Reshevsky immediately spots.

17 NxP! PxN; 18 Q-N4, N-N4; 19 P-R4.

White regains his sacrificed piece with interest.

19...P-KR4; 20 Q-N3, Q-K1.

If Black tries to limit his losses by R-KB4, then 21 P-K4.

21 PxN, Q-N3; 22 P-B4, B-B3; 23 BxB, PxB; 24 P-K4!

Allowing no time for recovery, if QxKP; 25 PxP dis ch and mate follows.

24 ... P-R5; 25 Q-KB3, N-N3; 26 PxP, RxP; 27 R-Q7, R(1)-KB1 and Black resigned without waiting for White's reply. 28 N-K5! wins more material.

The annual Lloyds Bank-sponsored varsity match takes place this afternoon at the RAC, Pall Mall, London. Cambridge, beaten three years running, face another difficult task. Oxford, led by IM Watson and Scottish champion McNab, are graded some 20 points higher on almost every board. The match, first played in 1873, is the longest running fixture in the calendar.

POSITION No. 506

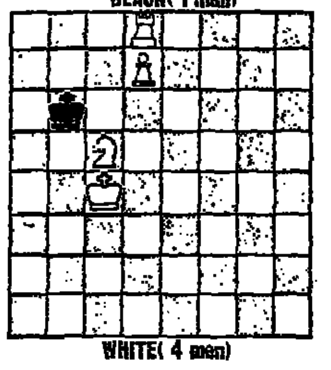
BLACK (12men)

WHITE (11men)

G. Waddingham v. J. Nunn, ARC Masters 1984. Grandmaster Nunn (Black, to play) is a pawn up with pressure on both flanks, but White's rooks counter on the KN file. The puzzle is to find the plan which gave Nunn a clearly winning position.

PROBLEM No. 506

BLACK (1 man)



WHITE (4 men)

White mates in three moves at latest, against any defence. Novag chess computers will sponsor this month's Commonwealth championship in Hong Kong. Their latest model, the Constellation, cracked the above problem in nine seconds.

Solution Page 16

BRIDGE

E. P. C. COTTER

BEHIND THE cover drive racing towards the boundary, behind the No. 7 iron shot dropping gently on the green, is the secret of perfect timing. Timing is no less important at bridge than at cricket and golf, so let us today study timing, or order, of the card play.

There is much to learn from this hand:

N
♠ J 10 3
♡ A K J 10
◇ A Q 7
♣ A 6 5

W
♠ 9 4
♡ 9 6 2
◇ 10 9 8 4
♣ J 9 7 4

E
♠ K 8 6 5 2
♡ Q 8 5 3
◇ 3 2
♣ 10 2

S
♠ A Q 7
♡ 7 4
◇ K J 6 5
♣ K Q 8 3

With East-West vulnerable, North dealt and bid one heart, South replied three no trumps, which on his system showed 15 to 16 points, and North without hesitation raised to six no trumps.

When West led the diamond ten, the declarer could count ten top tricks, with extra chances in the majors, by taking a finesse, or in clubs, if the suit broke evenly. He saw, too, that if the heart Queen was favourably placed, that was enough for 12 tricks. So without deeper analysis he won the first trick in hand, led a heart and finessed the ten. He thought that, if the heart finesse was wrong, he could try clubs, and if they proved unkind, he could fall back on the spade finesse.

East, an expert player, had been thinking. He took his heart Queen, and at once returned the eight of spades. This was a well-timed psychological move. No declarer, in a slam contract likes to stake all on an early finesse, if any reasonable alternative offers. Thrown off balance by the spade switch, South won with his Ace, deciding to rely on the club break or a possible spade-club squeeze. Neither chance came off, and the contract failed.

The declarer should have put his house "in order." He must win the opening lead in dummy, and play the spade Knave. With the King right, there is no further problem, but that is not the point. If the finesse loses, no return can prevent South from trying clubs next, and if they do not break, the heart finesse.

Another rubber produced this deal, which posed greater problems:

N
♠ A 6
♡ Q J 9 8 7
◇ A Q J
♣ K Q 4

W
♠ 8 4 2
♡ 6 8 2
◇ 3 2
♣ 10 9 8 7 6

E
♠ Q J 10
♡ K 10 5 4
◇ 10 7 5 4
♣ A 2

S
♠ K 9 7 5 3
♡ A
◇ K 9 8 6
♣ J 5 3

North dealt at a love score and bid one heart, South said one spade, and North rebid three no trumps, announcing 19 to 20 points. South showed willingness to proceed further by bidding four diamonds, North said four no trumps, and over the response of five diamonds bid six diamonds. This was doubled by East (the Lightner double), and all passed.

West did not lead a heart, which East had asked for, but the club ten. This was covered by dummy's Queen, and East ducked to deny South an extra entry to hand.

South decided to rely on a 3-3 spade break, and led the club King. East won, and returned a heart, which removed South's entry, and excellent defence defeated the contract.

The declarer misplayed the club play. At trick two he should cash the spade Ace, cross to the King, ruff a spade, and cash dummy's last two trumps. Now is the time to play the club King. East wins, and has to lead a red suit, allowing the declarer to make his somewhat optimistic slam.

SPORT

Dominic Wigan on Cheltenham

Irish hearts are still happy

PRE-CHELTENHAM hullabaloo tends to greet the return of virtually every victor to the winner's enclosure in Ireland during the lead-up to the great Festival and it is not difficult to understand why.

Since the last war, even the most underprivileged winners of modest races "over the water" have gone on to exceed all but Irish expectations at Cheltenham. In spite of the form book suggesting otherwise, they have often come home to the famous Irish roar.

For this year's Cheltenham Festival meeting, which runs from Tuesday to Thursday, the luck of the Irish again seems to be holding. The late abdication of England's champion hurdler, Gaye Brief, through injury, has left Ireland's favourite mare, Dawn Run, an odds-on chance to give her country a fourth hurdling crown since Night Nurse's reign ended in 1977.

Whether Dawn Run wins or not, I fully expect the race to fall to the Irish. In For Auction the raiders have a hurdler who has equal ability to the mare at his best.

The 40-to-1 winner of the race a couple of years ago, For Auction's credentials are, it is true, not immediately apparent on recent form. Unsuccessful in nine outings last season, For Auction, nevertheless, ran some good races, namely when third in both the Champion and Sun Template Hurdles, as well as in Auteuil's French championship.

On his once appearance this term, For Auction returned to Auteuil to finish fourth in a hurdle race way back in May.

On the face of it, a strong case cannot be made out for him. However, there is no doubt that he had a far from easy time under strange conditions and some unorthodox preparations in France and has looked very muc hhis old self since going back to his native environment.

Turning to the Cheltenham Gold Cup, a somewhat substandard race looks likely to fall to either the favourite, Wayward Lad, or Brown Chamberlain.

The pair make a good deal more appeal to me than the one-time market leader, Burrough Hill Lad.

A brief look at some of the other fare that lies ahead suggests that the Irish team will, as usual, be picking off one or two of the most valuable supporting races.

The opening Waterford Crystal Supreme Novices Hurdle has proved a veritable Irish benefit since its inception with challengers having taken the last seven runnings of the race and Nore Prince should make it eight this time.

At the time of writing, all race and riding plans are not complete, but for the record there follows some suggestions for the coming three days at Cheltenham:

CHELTENHAM

Tuesday

2.15—Nore Prince
2.50—Bobsline
3.30—For Auction (each way)
4.05—Gaye Chance

Wednesday

2.15—Pacifiste (Fr)
3.30—Road to Mandalay
4.05—Ballinacurra Lad

Thursday

2.15—See You Then
3.30—Brown Chamberlain

Tim Dickson on real amateurs

Rugby Fives lives

READERS WHO can remember from their schooldays the bruises inflicted by a Rugby Fives ball—or even by the Eton variety—may be interested to know that the Second Rugby Fives International between the United Kingdom and the United States of America is due to be played at Bedford School next Friday.

But if this conjures up cheer leaders, blue blazered sponsors and hamburger and hot dog stands at the back of the court, such visions thankfully could not bé wider of the mark.

Any game involving Americans on one side and a group (mostly) of ex-public schoolboys on the other is bound to be highly competitive, but I am assured that the forthcoming contest will be played in the true spirit of amateurism.

Unlike the Eton Fives Association, which receives a modest amount of support from National Westminster Bank (whose former chairman Robin Leigh-Pemberton was an enthusiastic player), the Rugby Fives Association has never accepted a penny from a commercial organisation (though to be fair nothing is known to have been offered).

Rugby Fives, for the uninitiated, has nothing to do with five-a-side rugby. Best known in British public schools but also popular in certain London grammar schools, the game takes place on a plain rectangular court with a back wall and is probably closest to squash played with gloved hands rather than a racket.

Eton Fives has only three walls, two steps (one in the middle and one at the back) and a strange looking abuttment on the same level as the middle step known as the "pepper pot." Eton Fives is played up to 12. Rugby Fives almost always up to 15.

Across the Atlantic the Rugby version has attracted a small band of pupils and alumni at East Coast private schools. The U.S. tour party, which will include four students, will be captained by John Carey who is in his 60s and holds the Massachusetts doubles title.

But the team's secret weapon could be a fast moving American handball player who has recently taken up Fives (American handball has similar rules but there is no "bar" on the front wall).

The City of London, meanwhile, is well represented in the UK team. The UK organiser Mr Tom Woods is the Clerk at the Wax Chandlers Hall in Gresham Street while the team's co-ordinator Mr Mark Daniel is the technical manager of a leading life insurance company (revealing its name could be construed as breaking the amateur code and inequitable to competitors).

Other team members include a computer specialist, an ex-RAF officer, an insurance broker, two schoolteachers, and an executive with a major engineering group.

Honour and glory, of course, will be the big prize with the Americans out to avenge defeat in the first international two years ago.

The winners, however, will also receive a tangible reward in the form of the Carey Wood Trophy, a wooden plinth and silver surround shaped by the American captain and his wife, who run a crafts business when not teaching.

"We are taking it all fairly seriously," says Daniel from the UK camp with what one suspects is characteristic English understatement.

Trevor Bailey on the FA Cup

Saints alive

TODAY, the last eight clubs meet for an FA Cup battle which has been one of the most unpredictable campaigns in the history of this great competition.

It is 180 minutes to Wembley. Southampton are the only team among the eight survivors to make any mark in the First Division this season.

Plymouth Argyle are to be found in the bottom half of the Third Division. Sheffield Wednesday and Derby County come from the Second Division, Wednesday riding high, and surely destined for promotion, while Derby are relying on publisher Robert Maxwell to rescue them from bankruptcy and are also hoping to avoid relegation.

The four other First Division teams still in the Wembley race include Notts County, whose home gate last Saturday was a depressing 7,300 and have acquired that dreaded relegation look.

The most intriguing battle is probably between Birmingham and Watford at St Andrews.

My head says Birmingham, but my heart goes for Watford who are such an entertaining side with a style which would grace Wembley.

In spite of Plymouth's home advantage Derby County should win because they have more experience and are rather better than their position in the table might suggest, but it would be fun to have little Plymouth in a semi-final.

After years of living in the shadow of Liverpool, whom they meet in the Milk Cup Final, Everton are enjoying much needed success with an efficient, if not especially exciting team, which should prove too strong for Notts County, though it could well go to two games.

Southampton are the one pedigree team left in the competition with a well organised defensive system backed by the best keeper in the country.

Although they have sufficient ability to overcome Sheffield Wednesday, possibly at the second attempt, they will need to be at their best.

I am picking Southampton to win with both head and heart, because much as I respect Wednesday the Saints possess greater class.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Saturday March 10 1984

Waiting for the harvest

THE MOST solid achievement of the Thatcher Government, which endures even in its present banana-skin phase, has been to persuade the nation that managing an economy is basically the same as managing a household. From this simple belief has sprung a new realism in the markets, and especially the labour market, which has helped us to get down the rate of inflation and develop a more flexible and potentially more productive economy.

All the same, it is a very awkward belief when it comes to Budget time, for a Chancellor makes his decisions on the marginal changes in expenditure and incentive. If he is not simply to sit on his hands and try to balance the books, he must believe that at this margin the whole can be greater than the sum of the parts—or less. If it were not so, his decisions could have no net effect at all.

Labour and capital

One example of this, which we have laboured a good deal in the run-up to the Budget, is the effect of tax distortions on the relative price of labour and capital. At the moment, all over Europe, we run a system which taxes employment, directly through social charges and indirectly through employment protection, and subsidises capital investment, through allowing companies to finance plant out of money that would otherwise have been paid in tax, or to borrow through leasing schemes at concessionary rates of investment. The result is to give employers an incentive to buy robots rather than hire workers.

This substitution is always profitable for the company which makes it, if the management is competent; but this is not at all the same as saying that it is good for the economy as a whole. That depends whether there is an excess demand or an excess supply of labour. These schemes were devised in the 1960s, when unemployment was very low and surveys invariably showed that labour shortage was a brake on growth. The substitution made sense for the country as well as the companies.

Now, however, we have 3m unemployed, and a problem to which forecasters see no end. In these circumstances substituting plant for labour may still make sense for companies, but it makes no sense for the economy as a whole; the cost of paying the unemployed is, on the contrary, one of the biggest problems the Chancellor faces. He should therefore start altering the incentives in his favour, cutting the subsidies on investment so that he can cut the taxes on employment. He could thus save public expenditure without making companies pay a penny more in tax.

The current coal dispute throws up a similar problem, but it is not one that can be addressed by tinkering with incentives. The Coal Board wants to close loss-making pits, and has judged that it is worth paying older miners £20,000 or more to go away; and no doubt this makes excellent sense from the point of view of the coal industry. The union is in effect asking the Government to pay large subsidies to keep people who would otherwise be unemployed working in the vile conditions of run-down mines.

This might make a kind of sense if there were no other answer; provided the coal produced is worth more than the difference between pay in employment and unemployment benefit, the State's finances actually be in better order if loss-making pits were kept open (though many might fail even this test). However, once one starts looking at this question from the national point of view, other solutions suggest themselves. The present proposition is that the state sector should buy new members of the dole queue at £20,000 a head—because we cannot as a nation do as the Coal Board hopes to do, and pay them to go away. This is obvious nonsense. However, if they could be shifted from unproductive to productive work, they might soon recover the £20,000 invested in them.

That, in essence, is the case for higher public sector investment in the infrastructure—Severn bridge capable of tak- administration and the rest. ing the traffic, computerising This is a theme on which the political Opposition, the Confederation of British Industry, the chairman of the Conservative 1922 Committee, and ourselves, speak with one voice.

Finding useful work

There is now some reason to hope that we have a Chancellor and a Permanent Secretary at the Treasury who understand these problems of tax distortion and cyclical policy adjustment. This does not mean that there are no constraints on wishful borrowing, as President Reagan appears to believe, to the acute disquiet of the markets. It means simply that there is room for sensible adjustment.

This might be easier to explain if our present Ministers followed the usual political habit of running farms in their spare time, and tried to run the economy like a farm. Farmers must live within their resources; but every good farmer knows that half the art is to find useful work for all hands when the land is cold and sullen. The economic weather is beginning to improve now; but there is still plenty to do until the full harvest demands everybody's effort. It is waste, not sound management, to let such an opportunity slip.

BRITAIN'S BUDGET

Mr Lawson's balancing act

By Max Wilkinson, Economics Correspondent

MR NIGEL LAWSON, the Chancellor, will never have a better chance to leave his mark on the British economy than when he rises to make his first Budget speech in the Commons on Tuesday.

He has several tasks before him. Politically he must steady his own party and give it a Budget that will help restore its confidence.

Economically he must reassure industry, the City—and the unions—that further victories are possible in the battle against inflation.

He must also convince all his listeners that yet more harsh financial discipline will lead to the promised land of steady growth and more jobs.

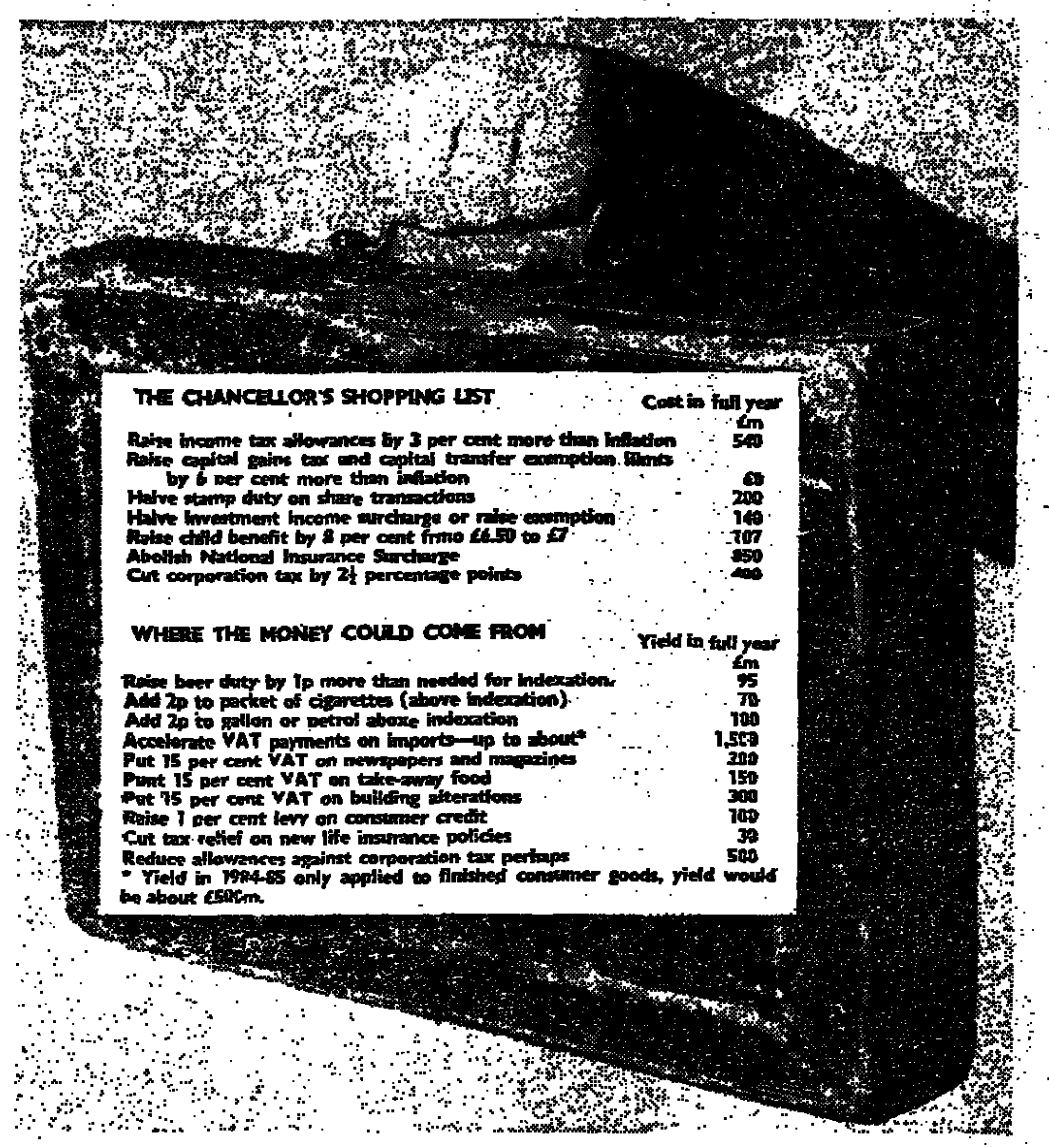
The need to drive down expectations about inflation is central to his view about how to keep the economy expanding. The tax reforms and other changes which he is expected to announce will do little to "free up" the economy if inflation gets out of control. In any case, his borrowing target allows no net "give away." So any concessions must be matched by revenue increases.

In the last year, the City has become more confident that inflation is under control; but there are waverers and few analysts believe that it will be driven down to the 2 or 3 per cent which the Government appears to want.

Mr Lawson will seek to convince the sceptics that this low target is attainable and at the same time encourage businessmen to think that, if inflation and interest rates are on the way down and recovery is set to continue, now is the time to invest.

In Mr Lawson's view, these key expectations are the hub of a giant circle of cause and effect, which goes something like this:

The Government announces a tightening of money and borrowing targets; this encourages people to think that inflation will fall; the pound is buoyed up; this helps to control the rise of import prices; this bolsters further belief in lower inflation and interest rates fall; a lower mortgage



THE CHANCELLOR'S SHOPPING LIST	Cost in full year £m
Raise income tax allowances by 3 per cent more than inflation	540
Raise capital gains tax and capital transfer exemption limits by 6 per cent more than inflation	40
Halve stamp duty on share transactions	200
Halve investment income surcharge or raise exemption	140
Raise child benefit by 8 per cent from £6.50 to £7	167
Abolish National Insurance Surcharge	850
Cut corporation tax by 2½ percentage points	400

WHERE THE MONEY COULD COME FROM	Yield in full year £m
Raise beer duty by 1p more than needed for indexation	95
Add 2p to packet of cigarettes (above indexation)	75
Add 2p to gallon or petrol above indexation	100
Accelerate VAT payments on imports—up to about*	1,500
Put 15 per cent VAT on newspapers and magazines	250
Put 15 per cent VAT on take-away food	150
Put 15 per cent VAT on building alterations	300
Raise 1 per cent levy on consumer credit	160
Cut tax relief on new life insurance policies	30
Reduce allowances against corporation tax perhaps	500

* Yield in 1984-85 only applied to finished consumer goods, yield would be about £500m.

This virtuous circle could all too easily break

rate helps cut inflation; share and bond prices rise; consumers are encouraged to increase spending; industry in turn increases investment. In short, recovery feeds upon itself.

Higher growth helps the Treasury to meet its spending and borrowing targets; this makes control of the money supply easier; so inflationary expectations are improved. And so on. . . .

This virtuous circle could all too easily break, however, if increased wage pressures pushed up prices and helped to depress the exchange rate, thus raising the price of imports and boosting inflationary expectations. The Government would then be faced with the need to put up interest rates and generally to tighten policy, with a risk of snuffing out the recovery.

This more pessimistic inflationary spiral is what, among others, the National Institute of Economic and Social Research is predicting for 1985. So what can Mr Lawson do next week to make sure that the "pessimists" are proved wrong?

His strategy stands on four broad pillars, and he will try to strengthen each of them. They are: the development of his medium-term strategy for reducing inflation; control of public spending; tax cuts to improve incentives, and a loosening up of financial and labour markets.

An important part of the Budget, therefore, will be to apply a new coat of paint to the Medium Term Financial Strategy which has acquired a rusty and neglected image in the City. The MTFS is supposed to set out a steadily declining path for public borrowing and for the growth of the money supply "for all to see."

Mr Lawson will try to revitalise the strategy in three ways: the first will be to stretch out the target period from the present three years to five. This will enable him to show public borrowing at the end of five years as an extremely small fraction of national income, possibly only ½ per cent, with the implied inflation rate also very low. Currently public borrowing is a little under 3 per cent of Gross Domestic Product (GDP).

Second, he will be looking at an extra, and much narrower, definition of money, M0 (notes and coins). Treasury studies indicate that targets for this aggregate have a much better chance of being hit. The fact that the Government is actually meeting a target would, in Mr Lawson's view, have a salutary effect on expectations.

Third, the Chancellor will need to demonstrate quickly that all this is not just talk. He will probably do this by tightening the public sector borrowing target for next year (1984-85) to £7bn-£7½bn—leaving aside some £2bn of asset sales—compared with the £8bn suggested by the current version of the MTFS.

As a complement to his revamped Financial Strategy he has decided to publish the 10-year outlook for public spending which he has been promising since last summer.

The rather tentative figures in this Green Paper will be less important than its overall message. This is that the Government is determined to hold down public spending roughly to its present level in real terms; that it has a good chance of reducing the proportion of national wealth shovelled into the public sector; and that this gives a reasonable chance of tax cuts.

The message to taxpayers is that there will be a fair chance of jam tomorrow with perhaps £1bn to "give away" in 1985-86. The message to the City is that if public spending is kept under control, monetary policy can be tightened further without any need for the level of interest rates which has proved necessary in the United States.

There is, however, another message which Mr Lawson will probably choose not to emphasise much. This is that the whole strategy also depends crucially on achieving a reasonable rate of economic growth, not to mention a number of imponderable international factors.

The Treasury's projections will show that if growth is less than about 2 per cent a year,

The long-term aim: an 'equity owning democracy'

public spending will come under heavy strain (because unemployment will rise rather than fall).

At the same time, lower growth means a slower increase in Government tax revenues, so that public borrowing would be stretched in two directions.

How does Mr Lawson hope to avoid being sucked into this particular whirlpool?

The Budget will make no concessions to the "Keynesian" idea of stimulating growth, even though inflation is under much better control than in 1979.

Instead, it seems likely that Mr Lawson will propose a series of tax reforms designed to encourage private rather than institutional savings and productive investment.

The Treasury has for a long time wished to reduce the huge mound of tax concessions and allowances which has accumulated over the years.

Among the things Mr Lawson is known to have considered are:

INCOME TAX RELIEFS. Mr Christopher Johnson, Economic Adviser to Lloyds Bank, calculates that the cost of tax relief on mortgage and other interest and life assurance and pension contributions will be £10.1bn in 1984-85. This would be enough to reduce the standard rate of income tax to 20p from the present 30p.

Alternatively, it would be enough to raise all income tax allowances and thresholds by 50 per cent which would mean that the first £4,000 of a married man's income would be tax free instead of £2,795.

However, the political objections to cutting the tax relief on mortgage interest and pensions contributions seem to weigh very heavily with the Prime Minister, so it seems most likely that these ideas will be shelved or perhaps raised for future discussion.

Even so, it does seem possible that the tax relief on new life assurance contracts may be abolished or reduced. The gain from abolition of about £100m to £150m would be only the equivalent of about 2½p on the price of a pint of beer. It would, therefore, be hardly worth doing unless Mr Lawson can unveil a coherent strategy.

This would have a double aim of reducing the direct burden of taxes, probably by raising the real value of income tax allowances. He would want to make matching changes which encourage private savings and investment.

The long-term aim will be to create an "equity owning democracy" with money in the pocket but paying unsubsidised market prices for a much wider range of goods and financial services than at present.

The attack on life assurance privilege might well be matched by some new levy on the banks, an idea favoured by the Treasury for the past two years. It would almost certainly be matched by a reduction or abolition of the 2 per cent stamp duty on share transactions, with a reduction to 1 per cent costing about £200m in a full year. Other popular measures would be abolition or reduction of the investment income surcharge and some lightening of the burden of capital taxes.

These measures would be attractive to the Chancellor because it would improve the position of businessmen saving for their retirement.

COMPANY TAXATION. There is little doubt that the Chancellor would like to reduce the present tax allowances for investment in stocks and capital equipment, with perhaps an offsetting cut in corporation tax. However, total allowances are now worth nearly £9bn so there is a strong case for proceeding in steps to minimise the shock of too rapid a change in burden of taxes between different companies.

It seems likely, therefore, that any changes in corporation tax in this budget would be a signal for the future. The Confederation of British Industry would prefer an outright abolition of the remaining 1 per cent of National Insurance Surcharge.

PERSONAL TAX THRESHOLDS. The Chancellor's inclination is probably to give any help he can to the personal sector by raising tax allowances and thresholds. For example, raising all income tax thresholds by 8 per cent would put up the single person's allowance from £1,785 to £1,928.

INDIRECT TAXES. In either case, he would have to find some extra revenue from other sources — almost certainly from indirect taxes. The most likely change would be to accelerate payments of Value Added Tax on certain imports. This would only have an effect in 1984-85, but it could raise up to £1.5bn.

Another possibility would be to extend the coverage of VAT

A rise in beer duties would please the EEC

to items which are at present exempt, like newspapers and take-away foods.

This could raise up to £750m a year if building alterations were also brought into the VAT net. This last measure would be especially tempting to a Chancellor who wants to cut the income-tax burden.

WINE, BEER, TOBACCO AND PETROL. Finally, there are all the items which regularly grab the headlines in the popular newspapers, excise duties on beer, wine, tobacco and petrol. The Chancellor is certain to raise these duties more or less in line with inflation. This would match the minimum rise in income-tax allowances which is now treated as a baseline.

Some duties, particularly those on beer, cigarettes and petrol may go up by a little more than the 5 per cent inflation rate. A rise in beer duties would please the EEC, which wants UK beer and wine duties to be brought into line.

A rise in tobacco tax would please the health lobby; a rise in petrol duties would help to conserve fuel.

However, the Chancellor's over-riding priority will be to keep inflation moving downwards, so he will be very cautious in raising duties which feed straight through into the cost of living.

Moreover, the Treasury will have the inflation rate for May very much in view. That is the rate which determines the rise in pensions and other benefits in November.

And if the Treasury is not still trying to claw back some of the 11 per cent rise which was granted in November 1982 when they over-estimated inflation, they are not the men we think they are.

Letters to the Editor

Taxation

From Mrs R. Swift

Sir,—I am appalled by rumours of the possibility of tax on bank deposit interest at source. Does the Chancellor appreciate that many pensioners of very limited means rely on such interest to survive and retain their pride in financial independence? The tax, if implemented, would immediately deprive them of one third of this income. In common with building society interest so taxed, the tax levied would not, no doubt, be refunded.

While I appreciate the obvious advantages to us all in capturing revenue at source, some consideration should and must, surely, be given to non-tax payers — including many children and their savings.

Could this perhaps be a ploy to encourage such savers to switch to a Post Office savings account where interest would continue to be paid gross?

(Mrs) Rachel Swift.
3, Silverdale,
Ditchling Road,
Keymer,
Hassocks, W. Sussex.

Bonding

From Mr T. Bassett.

Sir,—I was interested to read the article (March 2) entitled "Laker Holidays refund deal." The problem is not confined to clients of the failed Laker tour operations, but to other tour operators who have failed since that time. A similar situation arises in those cases where payment was made using an Access card.

It is ironical that so much attention has been focused recently on alleged inadequacies in the amount of the bonds provided by tour operators, whereas no publicity has been given to the fact that any client choosing to pay for his holiday by means of a credit card (but not a charge card) is afforded no bonding protection.

Despite the fact that clients paying in this way have no protection, the tour operator is still required by the Civil Aviation Authority and ABTA to provide a bond for all his qualifying sales, including credit card sales. While this company receives only 10 per cent of its tour operating sales by credit card, the percentage in the industry as a whole is probably considerably higher.

If clients booking holidays from tour operators and paying by credit cards are not protected by the Consumer Credit Card Act, then that Act should be amended or such transactions should be brought within the scope of existing bond arrangements. In either case the right to claim would not then be affected by the means of payment used.

It is inequitable that a client should unwittingly forego the protection of the travel industry bonding system by electing to use a credit card because of convenience, and totally unreasonable that Barclaycard expect the tour operator to remedy the deficiency by providing separate insurance cover against the very eventuality for which the bonding scheme was designed.

T. R. Bassett.
Meon Travel Group,
Petersfield, Hampshire.

Democrats

From Mr A. Ellinger

Sir,—Much as I enjoyed Mr Kaletsky's article "When the dollar loses its shine" (March 5) I was not clear what he meant about the Democrats being more unsettling to financial markets than Ronald Reagan. Clearly the deficit is one of the Republicans' weakest points and the Democratic candidate must be sound on the deficit to have any chance of winning the election in November. The Democrats need a money man as sound as Philip Snowden whose stern policy prepared Britain for the conversion of War Loan before Chamberlain became Chancellor. I fully expect that the candidate successful at their convention will find himself such a man and set him up for an appropriate place in his cabinet.

The Democrats must take the line that Reagan who created the deficit and is devoted to it is quite unfit for the job of running it down and that that job must be entrusted to the Democrats. The Democrats will of course be tougher against the rich and kinder to the poor than the Republicans would be. But the Democratic candidate may well look a sounder man than Ronald Reagan and of all the perils that face the dollar a Democratic President looks the least.

A. G. Ellinger.
30, Lensfield Road,
Cambridge

Membership

From the General Secretary, Association of Professional, Executive, Clerical and Computer Staff

Sir,—There are two serious errors in your report (February 28) on our membership figures.

Annual membership figures are never given a strictly limited circulation inside Apex. The year-end figures are calculated by each area in February and used in the area elections at the beginning of March, which involves every branch in the union. The national summary is sent to our printers as part of our annual report which goes to our annual conference and to every branch. The general purposes committee received the figures at its February meeting and the executive council will do so at its March meeting.

The second error was to fail to calculate the impact of Apex joining in the TUC election for unions of under 100,000 members. Allowing for the vote of the sheet metal workers disappearing through amalgamation, the accession of Apex to this electoral group would have had very significant effect. Numerate Leftwingers have been heard all week offering prayers for the continued success of the Apex recruitment drive.

Our recruitment, in common with some other similarly placed unions, started to rise at the end of September. Notably it is rising in the south of the country and still declining in the north — both reflecting Government policies. If and when the Chancellor recognises the need for a competitive exchange rate to benefit our manufacturing and service sectors, then the economy will take off, and with it our membership.

Roy A. Grantham,
22, Worple Road, SW19.

Directors

From Mr P. Lawson

Sir,—The disclosure that 54 of Britain's 226 licenced deposit-takers have not filed accounts with Companies House for more than two years again highlights the totally inadequate policing of companies. The authorities would appear to be unable to see that the laws concerning filing of documents are complied with and indeed appear inactive in pursuing offenders. This from the point of view of creditors is totally unsatisfactory.

It is not inappropriate to couple with this problem the present proposal concerning disqualification of directors where companies are compulsorily wound up. Regretfully, limited company status is widely abused with a very laisser-faire attitude being taken towards legal requirements attaching to this entity which enables directors to escape personal liability for debts. All too frequently in these difficult economic times, directors are abandoning the companies with their creditors simply being told "ceased to trade." No attempt is made to meet the debts and there are usually no assets—that is of course if accounts have been filed and can be examined to determine this fact. Even the Inland Revenue and DHSS do not appear to follow such cases through and petition for liquidation.

Sir Kenneth Cork, in opposing automatic disqualification should discuss with interested parties the problems faced in pursuing debtors usually to little or no avail. The fitness of many people to run their own business must be questioned, as too often it is done merely for personal benefits without the necessary degree of public spiritedness and no regard for others who carry the losses.

P. B. Lawson,
Townsend House,
160, Northolt Road,
Harrow,
Middlesex.

Criticism

From the National Officer, Association of Scientific, Technical and Managerial Staffs

Sir,—I refer to the article "Trade Union Bill 'will curb funds'" (March 2).

Although the Government is committed to reducing trade union affiliations to the Labour Party, it now appears that no trade union, under this proposed legislation, will be able even to criticise Government action.

The recent Nalgo campaign, to which the Junior Employment Minister refers, was an excellent example of a professional campaign aimed at bringing to the public's notice the effects of Government policy in relation to housing, the Health Service, etc. Mr Alan Clarke's statement puts me in some difficulty. I am nationally responsible for our technician members in UK universities and for our members in housing associations, both of which rely directly on Government finance, either through the university grants committee or the housing corporation respectively.

According to Mr Clarke, if the Government of the day was to cut that financial allocation to either of those bodies by 50 per cent and mass redundancies ensued, the university system would collapse, and new housing starts would come to a halt and ASTMS would be unable to bring this to the notice of the public, even though indirectly the Government is the employer through a secondary party.

I can well understand the Government bringing in the present Trade Union Bill—it is simply political bias—but to state that not only under this Bill, but under the 1913 Trade Union Act, no union is allowed to spend any money to bring to the public's notice a particular disastrous policy which affects its members and the general public, is simply another way of preventing any criticism in a so-called free society.

Roger Beson.
79, Camden Road, NW1.

Mortgages

From Mr D. Shaw

Sir,—I refer to the letter from Mr J. Marsh (March 1). I sincerely hope and trust that the Chancellor will think very carefully before following the suggestion to limit mortgage interest tax relief to the standard rate.

The privilege of paying high rate taxes is not these days a monopoly of the wealthy few. A very large proportion of those involved tailor their expenditure to their net pay in exactly the same way as standard rate taxpayers. For this reason disproportionate increases in taxation are no more bearable to the higher rate than the standard rate taxpayer.

Rightly or wrongly mortgage interest attracts tax relief at higher rates. The taxpayer nevertheless is entitled to make long-term housing plans based on these existing tax laws. To withdraw that relief would cause considerable hardship to a great number of very tightly drawn housekeeping budgets.

D. A. Shaw.
37, Brockley Avenue,
Stanmore, Middlesex.

David Dodwell reports on Michael Ashcroft and his fast-growing Hawley group

'No one can put a handle on me'

THE AUDACITY of the move was remarkable—even by the standards of Mr Michael Ashcroft.

This week the Hawley Group, which he heads, announced a £34.3m rights issue—its second call on shareholders in the space of a year. During that time its market capitalisation has doubled from £60m to about £130m.

One essentially sympathetic stockbroker reflected widespread opinion when he said: "I'm afraid there is no doubt that he will get a frosty response from most shareholders. There is just too much Hawley paper on the market. Mr Ashcroft tends to run too fast—and certainly much faster than the City would like."

The Hawley group's expansion has certainly been dramatic. It was bought by Mr Ashcroft in 1978 for a mere £1.2m when it consisted of a chain of 12 sports shops in Birmingham. Since then, through a hectic acquisition programme, it has become a family of industrial service companies and associates based on office cleaning, home improvements and burglar alarms.

Mr Ashcroft himself is a boyish-looking 37-year-old, whose sole academic achievement after schooldays as a boarder at Norwich Grammar School, was a higher national diploma in business studies. He dropped out of a Rothmans management trainee scheme—"basically I was bored"—joined an office cleaning company and then set up his own, for £1, in 1972. Five years later he sold it to Reckitt and Colman for £1.3m, giving him the seed capital for Hawley.

> To his advocates Mr Ashcroft has an ability to manufacture silk purses from pigs' ears

To his advocates, he has an ability to manufacture silk purses out of pigs ears, generating high returns from small and lacklustre acquisitions. In the past year alone Hawley has spent over £50m on acquisitions and it plans to spend a further £50m in 1984.

But to others his business has been built on a mountain of shareholders' paper, with little sign of solidly based sound management at the centre.

"It is dangerous to follow too bright a single spark," said the investment manager of one leading insurance group who at the same time conceded that he knew so little about Hawley that "both sides of the coin are pretty blank."

Other City institutions complain that he has so many fingers in different pies — and is moving his fingers about so often — that it is difficult to detect what Hawley's corporate aims are. "I would be happier if Mr Ashcroft stated more simply what the aims of the group were," one merchant banker said.

Hawley's minority stakes in "glamour" stocks — such as Miss World, Ms Debbie Moore's Pineapple Dance Studios and Group Lotus, have also raised some eyebrows.

"It may be a lot of fun to buy Hawley shares in a bull market," another banker noted. "But the group has yet to be tested by more difficult market conditions."

Such comments exasperate Mr Ashcroft, not just because of his strong ambition. "The problem is, no-one can put a handle on me," he complains.

Paradoxically, the shockwaves from the rights issue might achieve something for which Mr Ashcroft has striven in vain for 12 years. It may prompt City institutions for the first time to take a detailed look at Hawley. Mr Ashcroft complains his biggest headache is correcting myths based on a negligible knowledge of his group. He argues that no-one who has taken a microscope to Hawley has come away with the myths intact.

Mr Ashcroft concedes that his acquisition activity may have caused confusion, but hotly contests that he is a share dealer: "I have never bought for the purpose of selling — and when I do have to sell something, the profit I may get is the consolation of failure."

He claims that three sets of operations form a solid core to Hawley — security services based on Electro-Protective, home improvements based on Kean & Scott, and office cleaning based on Provincial Cleaning Services in the UK and Oxford Services Inc in the U.S.

Suggestions that Hawley has no management in depth sting him: "People who have taken the trouble to come and look at the group do not say that."

"What can be said however is that none of the Hawley management team has "been there already." They are all people who are thirsty to achieve. That includes me, and it is the greatest strength you could have."

Trevor Humphries

Mr Ashcroft: "never bought for purpose of selling."

He points to Mr John Danenberg running Electro-Protective in the U.S., Mr Peter Bain at the head of Kean & Scott, and Mr David Bales as chief executive in the office cleaning business, as strong line managers who have presided over rapid growth in their separate areas.

Mr Ashcroft acknowledges that there have been points in the formative stages of his group when its core operating companies have been vulnerable to collapse, but he claims that is no longer the case. "The danger period was when the various operations were between two and three years old. That is when all of the changes wrought during reorganisation come home to roost."

A critical deal for Hawley was the purchase in 1981 of Electro-Protective, the U.S. security services group. With the 40 per cent stake Hawley has in Holmes Protection, the two make one of the leading security services operations in the U.S. Electro-Protective is due to release figures next week, and can be expected to earn pre-tax profits for 1983 of more than £6m—more than double the 1982 total.

Also in the U.S., Oxford Services, the office cleaning subsidiary bought last summer, will, with National Cleaning Contractors, put Hawley among the market leaders in the U.S. in this field.

The home improvements group shaped around Kean and Scott, which is still mainly focused on the UK and includes companies, such as Dolphin Showers and Alpine double glazing, has seen an £11,000 loss in 1981 transformed into a £3m profit in 1983. Sharp's Bedroom Furniture, a third subsidiary, grew from one factory and one showroom in 1978 to five factories and 50 showrooms today. This is strong growth, even allowing for acquisitions.

One consistent problem for Mr Ashcroft has been to convince potential investors that there is a common thread running through his businesses.

He says they do exist, no matter what sector they are in: they require low capital investment, have high recurring income, are established in fragmented industries and are cash-generating. They are service industries, with broadly-based client lists. They are either in the UK or the U.S. These characteristics will provide Hawley with greater strength than most UK companies if the market slumps back into deep recession, Mr Ashcroft argues.

When pressed about his stakes in "fun" stocks like Miss World, Mr Ashcroft can turn to stockbrokers Hoare Govett, who wrote in January: "The sums involved are small in the context of the group, and the activity is profitable. The deals are peripheral and must be recognised as such.

"In 1984 and 1985, it will become increasingly apparent that Hawley is a real business, not a stockmarket toy."

For all that, Mr Ashcroft does have his lighter side — like having the car number plates A2, A22 and A53, and owning jointly with his wife the homely Crown public house in Bray in Berkshire.

> Hawley's minority stakes in 'glamour' stocks have also raised some eyebrows

Suggestions that Mr Ashcroft is a gregarious socialite are probably misplaced, however: "You won't find me boogeying at four in the morning in Tramps," he says.

According to Mr Ashcroft, behind the facade of glamour provided by Miss World and Pineapple is a down-to-earth core that is reflected in Hawley's main businesses: "What is glamorous about office cleaning shower units and burglar alarms," he asks, "except that they generate cash and make profits?"

Britain's council housing

The crumbling legacy of the boom years

By Joan Gray, Construction Correspondent

PEELING CEILINGS black with mould, ill-fitting windows jammed shut with broomsticks to stop vandals slipping the catches, cracking walls and crazily-angled concrete balconies—these are just some of the problems now coming to light in public housing built in the 1960s and 1970s.

A report from the Association of Metropolitan Authorities published this week said £60n was needed to put right defects in buildings put up during these boom years for house-building—£60n could be a gross underestimate.

"It's just the tip of the iceberg," said Mr Tony Ritchie, the London borough of Southwark housing chairman. "We're not just talking about system-built housing, but about all the big concrete construction units built at that time.

"The AMA report was about system-built and precast stuff," said Mr Barry Smith, area housing manager in the nearby London borough of Greenwich. "But we're coming across problems with all our 60s building because of the Department of Environment's cost yardsticks of the time and the demand to pack so many people in on the sites."

The scale of the problem now facing councils across Britain can be gauged by examining two estates in Southwark and Greenwich.

Neither of these estates was built using the then fashionable system-building techniques, which rely heavily on prefabricated parts, and which are now causing some of the worst problems, particularly in tower blocks.

They were built using comparatively conventional brick and concrete methods—but at the high speed and high density demanded by ambitious government programmes.

Mr Ritchie's biggest problems are on the Bonamy estate, 918 grey brick and concrete flats off Old Kent Road in Rotherhithe.

The estate was completed in 1970, at a cost of £5m, said Mr Ritchie. "And, all of a sudden, two or three years ago, council officers and consultants started pouring into my office saying it had problems that would cost anything from £20m to £43m to correct."

The main structural problems with the Bonamy estate were caused by the fact that it was built on a raft of concrete which, to support the weight of the flats and cope with the distance between the supporting walls, should have been seven or eight inches thick.

The trouble is, it is only an uneven six inches thick. And because the concrete raft is too thin to support the weight of structure on top of it—which included the 500 lb three-foot wide concrete flower tubs given to the tenants for their balconies instead of gardens—it bowed, forcing walls which were not designed to be load-bearing to carry the weight.

Mr Ritchie says this raft system was an advanced method of building at a time when the borough was trying to rehouse its population and the government was pushing it to build quickly.

"But, in retrospect, we were using experimental methods which proved a disastrous mistake. They were done from a desire to provide good housing, but we were persuaded by builders and by architects who never had to live in them."

"In theory, the design was OK," he added, "but if not closely supervised in construction it fails and this was inadequately supervised."

> It's just the tip of the iceberg, says Southwark's housing chairman

The Bonamy estate, in an area which Mr Ritchie himself describes as a "concrete jungle," is a gloomy and desolate warren of four-storey buildings. The problems, particularly damp, are so bad that at a recent public meeting the tenants urged the council to demolish it.

Demolition and rebuilding — of an estate less than 20 years old — is the answer Mr Ritchie favours.

"Whatever we do on the estate it's going to cost us £43m now, and its going to cost us no more to pull it down and rebuild it," he said. One way of solving the problem — a building consultant suggested — was to lop the top two storeys off the blocks to halve their height and weight, and convert them to houses.

"But that way you're still going to lose half your properties," said Mr Ritchie. And extensive repairs "would mean people living on a building site for eight years — and is it worth spending that much on a style of housing which is just not conducive to people's aspirations now?"

The council wants to replace it with what people want: "real houses of real bricks and mortar with real gardens," and at half the density of the old estate.

The smell of damp and mould catches you by the throat as you step inside the maisonette rented by Mrs Tenant — who does not wish to be named — on the borough of Greenwich's Glyndon estate in Plumstead.

Upstairs, she points to the ceiling in the small room where her two children sleep in bunk beds. The decorative finish is peeling off and hanging down, and the surface is black with mould.

The walls are also black and spotted with mould, and the window is streaming with condensation.

"It just sweats all the time," she says.

Part of the problem, explained Mr Smith, is the uninsulated concrete walkway above, which acts as a cold slab and makes the warm air in the flat condense. This is made worse by the poor standard of insulation.

"And it's better now," said Mrs Tenant. "You should see it when it's colder or raining."

"Her flat is typical," said Mr Smith, outside, pointing at other problems the tenants are facing—damp from badly-sealed rainwater pipes weaving in and out of the walls, external decorative panels lifting because the damp gets underneath them, rotting woodwork, and foetid black holes at the end of the stairwells which had to be blocked off because the tenants were frightened of who might be lurking in there.

"To get the high densities required, the designers had lots of nooks and crannies to get the shapes, and these became havens for vandals and kids abusing the stairs," said Mr Smith.

The London borough of Greenwich is going to spend £2.29m repairing 134 maisonettes on the estate, putting in new windows, insulation, new heating systems, improved lighting and lifts, and entryphones.

"I hope you will do something about me," Mrs Tenant asked Mr Smith. "I have endured enough."

Weekend Brief

Rich pickings in takeover battles

JOSEPH FOGG III is a 37-year-old Yale and Harvard Business School graduate. His bosses at Morgan Stanley, the Wall Street investment bank, are pretty proud of him currently since he has just netted his firm close to $20m for a few weeks' work advising Socal on its $13.2bn takeover of Gulf Corporation, the biggest take-over in U.S. history.

Just what Mr Fogg and his team have done to earn this mammoth sum is not clear and Morgan Stanley, like any good English merchant bank, refuses to elaborate on Mr Fogg's role.

By all accounts he is well thought of in the corporate world. Last year, he worked with Southern Pacific on its $2.3bn merger with Sante Fe Industries earning his firm more than $6m. But of late Morgan's name has been missing from some of the major take-over battles.

Helping Socal win the battle for Gulf has proved to be a major coup for Morgan. Socal, unlike some other U.S. corporations, has never had a traditional investment banker because it has not been an active acquisitor. Its decision to choose Morgan partly reflected the fact that many of the other major names on Wall Street were already spoken for as they had been signed up by other companies planning acquisitions.

Donald Bower, Socal's vice-chairman, says his company decided to go with Morgan "partly because of their reputation as a firm, and partly because of their reputation as a firm, and partly because we had heard that Mr Fogg was a very competent chief of its merger and acquisition group."

Having said that, it is still far from clear that Mr Fogg and his men were worth the fattest fee in U.S. corporate takeover history. Morgan supplied strategic and legal advice but according to Socal the investment bank had no voice in determining Socal's offer for Gulf. "Morgan did not make a per share recommendation. They did not even know what it was," Mr Bower told the New York Times last week.

A cursory glance at any U.S. corporate takeover document shows that Wall Street mergers and acquisitions specialists, very much the elite, do not come cheaply. Bruce Wasserstein and Jo Perella, the take-over stars of First Boston, earned their firm over $10m by advising Texaco on its $10.1bn bid for Getty Oil. Even when a firm loses in its battle to take-over another, there is normally a handsome fee plus the reimbursing of all out-of-pocket expenses.

In the latest deal Socal has agreed that in addition to its fee it will pay Morgan Stanley's "reasonable out-of-pocket expenses" including the fees and expenses of its counsel and has agreed to indemnify Morgan Stanley against certain liabilities and expenses, including liabilities under federal securities laws.

With provisions like this, most take-over fees flow straight through to the bottom line for the investment bankers lucky enough to be chosen. Last year Wall Street firms earned $260m in fees on the 50 biggest take-over deals.

Typically, the fees work out anywhere from 0.15 per ent to 0.5 per cent of the value of the deal. As more than one firm is often retained as an adviser the urrent U.S. takeover boom is providing rich pickings for the top Wall Street firms.

The investment banks involved in the Texaco/Getty takeover saga are believed to have taken home around $50m in fees. Aside from First Boston which represented Texaco, Goldman Sachs is understood to have earned around $18.5m for looking after Getty Oil's interests, whilst Kidder Peabody was handsomely reimbursed for advisings the Sarah C Getty Trust and Gordon Getty.

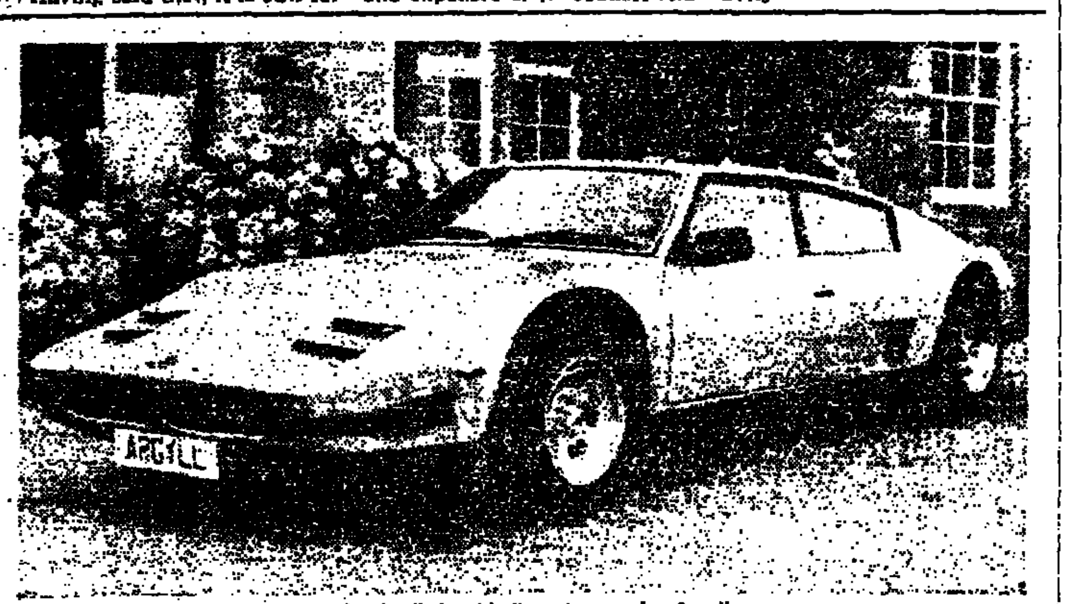
Scotland's challenge to Italian macho

All was not over for the Scottish car industry with the closure of the Talbot Linwood works in 1981. Out of a former dairy in Lochgilphead, among the sheep and tweed jackets of the West of Scotland, comes—at some considerable speed—the Argyll.

This low, very long, very expensive and nearly totally Scottish challenge to the Italian-dominated exotic car market is the creation of Mr Bob Henderson. With a clutch of associates, a managable bank overdraft and development costs over the past eight years of not much more than £250,000, he appears to be breaking into the luxury sports car market on a shoestring.

After a false start as a potential gas guzzler some years ago the Argyll was introduced in October. Four or five are sold and orders in for another 12 at £30,000 a car. The inquiry rate, much of it from the UK but including a sheep baron in Australia, and a number of Arabs from the Gulf, may mean output can be doubled from one car a month and the workforce increased from five at the moment to possibly 30 over the next five years.

What has been essentially a hobby conducted with fellow fanatics from the cluttered works strewn with car carcases and piled high with mechanical innards has reached the point of becoming a serious business. "Some of the problems start here and I will need more capital but I don't want to share out the equity of this company," according to Henderson.



Scotland's hand-built and expensive Argyll

As I dove the office Cortina, a most worldly car, through the switchbacks around the lochs, I wondered what a "Scottish" car should look like and cursed my unbecoming musings about a car that might do 400 miles to the gallon with some ironwork in front and a computer behind to reflect Scotland's industrial transition.

There in the magnificently unsmooth surrounding of the Lochgilpead ex-dairy was the grey Argyll, a short walk between front and rear wheels and its lights glowering out from behind louvres. Its pedigree was marked in a heavy metal Scots thistle. The original Argyll was produced around the turn of the century.

The Argyll is aimed at the sports-car buff ready to share his 130-miles-an-hour pleasure with other members of the family. It is described as a 2+2 instead of a four-seater, which might imply legroom.

The car is claimed to have a potential life of 20 to 30 years, and uses a stainless steel space-frame and a heavy fibreglass body.

The wheelbase is very long, at 118 inches, with its 2.6-litre V6 engine, the "Douvrin" unit used by Peugeot, Renault and Volvo, mounted amidships.

But what is bringing special attention is Mr Henderson's theoretical ideas for his car. It has a long 9 ft 10 in wheelbase, and the engine positioned in the middle of the car. The driver can see the motor thrashing away behind double glazing and noise-deadening lead-backed foam behind the rear seat.

Mr Henderson originally became known for his "Minnow Fish" carburettor, developed in the 1960s. But operations at Lochgilpead have been extended to include turbocharging.

Contributors:
William Hall
Mark Meredith

Lloyds up 27% with unchanged bad debt provision

UNLIKE THE other three major clearers, Lloyds Bank did not increase its provision for bad and doubtful debts in the 1983 year.

This is in contrast to last year when the provision was increased by 150 per cent to cover sovereign as well as corporate loans, resulting in an 18 per cent decline in taxable profits.

The provision this time was unchanged at £219m, with a fall in the specific account balancing out a rise in general charges. Benefiting from this, pre-tax profits climbed by 27 per cent from £329m to £419m.

The profits were roughly in the middle of market forecasts, which ranged between £400m and £435m.

Sir Jeremy Morse, the chairman, commenting on the results says: "The world economy is looking a little better, but it is by no means out of the wood yet. As to Lloyds Bank, our profits recovered well in 1983 after the previous year's fall, particularly on the international side, although provisions were still high."

The domestic contribution to profits climbed by £36m to £230m despite a further heavy charge for bad and doubtful debts. International operations contributed £189m, a rise of £54m, helped by a fall in the value of sterling against the U.S. dollar.

Following an increase in the interim dividend, the final payment is lifted from 14.68p to 17.84p for a higher total of 28.5p against 24.68p.

The directors are making a scrip issue to holders of June 1 on the basis of one-for-five by capitalising part of the share premium account.

Looking at results from domestic operations, the directors say that in the clearing bank current accounts grew faster than inflation. But, they point out that there was a fall in seven-day deposit account balances reflecting the "keen competition" for interest-bearing deposits and the attractiveness of higher yielding accounts.

Average sterling advances rose by 27 per cent, with particularly strong growth in the personal sector, and much of the increase was funded by time deposits.

They add that against a background of an average base rate of 9.8 per cent (11.9 per cent in 1982) net interest income rose by 7 per cent as a result of higher volumes. However, the net interest margin declined to 5.5 per cent (6.4 per cent in 1982), mainly reflecting the greater reliance on time deposits.

Other operating income grew by one-third, due to higher cost recovery and greater use of a wide variety of fee-earning services; this increase largely offset an 11 per cent rise in operating expenses.

On the international side, they say that the group has participated in international debt rescheduling and refinancing arrangements; this apart, they say that loan demand generally was flat.

Interest margins were little changed and there was again a substantial charge for bad and doubtful debts. Other operating income showed useful growth of 24 per cent and covered a major part of the 17 per cent increase in operating expenses.

There was a good recovery in the group's operations in the U.S. and its European business had another satisfactory year.

Australia and New Zealand produced encouraging results, while Latin American earnings were little changed.

Group interest income declined by £178m to £4.04bn but, with interest expense down at £2.75bn (£3.07bn) the net balance came out higher at £1.26bn compared with £1.15bn.

Other operating income added £527m, against £409m; giving a total income surplus of £1.79bn (£1.56bn). The taxable result was struck after bad and doubtful debts; operating expenses £1.18bn (£1.05bn), staff profit sharing schemes £16m (£12m) and included a £32m (£37m) contribution from associates.

With premiums on acquisitions now being written off to reserves, whereas previously they were amortised by equal annual instalments over 10 years, profits before tax were enhanced by £7m (£6m).

The charge for taxation was reduced* by £82m (£104m)—based on the profit for the year and on a UK tax rate of 52 per cent—as a result of accelerated depreciation allowances for taxation purposes in respect of equipment used in the business or leased to customers.

After tax payable of £135m (£80m), net profits emerged 14 per cent ahead at £284m (£249m). Minorities were unchanged at £8m, leaving an attributable balance of £276m (£248m)—last year there were extraordinary credits of £7m.

Dividends will absorb £55m, against £47m, to give a retained profit of £221m, some 10 per cent higher than last year's £201m. Earnings per £1 share rose from 127p to 145p.

The provision for bad and doubtful debts broke down as to specific £143m (£186m) and general £76m (£33m). Of the specific charges some £87m (£86m) was attributable to the domestic account and £56m (£100m) related to the international account.

As at the year end total deposits stood at £35.52bn (£31.91bn), total advances were £30.3bn (£27.71bn), and capital and reserves totalled £2.19bn (£1.94bn).

Due to a change in accounting dates, Lloyds Bank International and certain other subsidiaries have prepared accounts for the 15 months to December 31 1983. The consolidated profit and loss account includes their results for calendar 1983, while the results for the three months to end-December 1982, based on exchange rates ruling at that date, have been taken direct to reserve.

The amount of £11m credited to reserves reflects a profit before tax of £32m, less taxation of £21m.

See Lex

Roger Taylor

Sir Jeremy Morse, chairman of Lloyds Bank, who yesterday reported a 27 per cent expansion in 1983 pre-tax profits from £329m to £419m. Unlike the other three major clearers, Lloyds found it unnecessary to increase provisions for bad and doubtful debts this time.

Link House ahead and sees further growth

PROFITS OF at least £6.86m are looked for by Link House Publications in the year ending June 30 1984, which would compare with £6.4m achieved previously. The interim dividend is raised by 0.5p to 5p net.

For the six months to December 31 1983 profits before tax have expanded by £457,000 to £3.74m in what is described as a difficult trading environment. And there are "positive signs" that the second half will show "worthwhile improvement" over the £3.12m earned in the comparable period of 1983.

In advertising periodicals profits have again improved, despite there being only 26 issues (27 last time) of Exchange and Mart.

Results in the magazine sector reflect an improvement despite difficult market conditions, particularly on copy sales, and this performance is expected to continue for the remainder of the year.

With books, there has been solid progress in trading performance and the directors believe that this benefit will continue during the year.

The group is being reorganised, and this should be completed by the autumn. The main effect is to decentralise certain activities to the operating divisions. The one-off cost before tax of this plan will be provided in this year's accounts.

Turnover in the half year moved up from £13.79m to £14.45m and the operating profit came to £3.37m (£2.94m). After tax £1.95m (£1.71m) and reorganisation costs £21,000 (nil), the attributable balance for shareholders is £1.78m, (£1.58m). Earnings are 14.97p (13.13p).

● comment

Link House has always tended to be a one-product company. Rather a good product, to be sure—Exchange & Mart's progress seems to have been quite immune from recession. The books and magazines divisions, though, have track records ranging from the patchy to the downright bad. Under the group's new managing director, this could be changing. In the first half, books came back to a small profit, and magazines reduced their losses by £100,000 or so. Both should be in profit for the second half. The cash pile is still growing—to £8.5m at end-December—and there is every reason to suppose that the 11 per cent increase in the interim dividend can be at least repeated at the final. Full year pre-tax should be no less than £7.5m, which would put the shares (up 20p at 475p) on a prospective actual tax multiple of just under 16. Assuming an 11 per cent lift in the final dividend, the prospective yield is 4.6 per cent.

Kode turns in £1.1m and increases payout

MANUFACTURING problems at the printed circuit board subsidiary of Kode International, electrical equipment maker, as forecast depressed pre-tax profits for 1983 from £1.37m to £1.12m.

However, a reduced tax charge means a nearly 3 per cent rise in net profits to £702,000 (£683,000).

Turnover was up 11.6 per cent to £15.53m (£11.22m), tax was £422,000 (£663,000) and earnings per share are shown as 15.7p (15.31p).

The dividend has been set at 6p, making 8.5p for the year (8p).

The problems at its printed circuit subsidiary had, as forecast, affected group profits but "due to higher capital expenditure, a lower tax charge has led to a modest improvement in the profit after tax and hence in earnings per share."

On a Current Cost Accounting basis, pre-tax profit was nearly 35 per cent down at £810,000 (£1.24m).

● comment

Kode gave fair warning four months ago that gremlins had been at work at Kam Circuits, so the market was relieved to see the damage limited to an 18 per cent decline in group profits and marked the shares up 5p to 280p. Kam's machinery had failed to keep pace with customers' technical requirements, with the result that reject rates rose at one point to 50 per cent and the subsidiary made losses in the second half. A £700,000 investment in new circuit board drilling gear, gold plating equipment and automated inspection machines has since reduced rejections to 12 per cent. There were also heavy hidden costs in introducing new management and retrieving and remaking faulty boards. Now that the Kam hiatus is over, the division's orders are currently running 25 per cent ahead of their year-end level. An undersupply of high-quality printed circuit boards, where Kode holds a 40 per cent market share, is beginning to drive prices upwards. Orders are also improving at Moore Reed electromechanical controls thanks to increased demand from the defence industry. On that basis, Kode looks capable of £1.8m pretax this time, which leaves the shares on a multiple of 10.8, well below their rating six months ago.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alliance Trust	9.5	Apr 19	8.55	13.5	12.3
Breville Europe ...int	Nil	—	1.75	—	4.9
East Rand Cons	1.15	—	1.15	1.15	1.15
Kode International	6	—	5.68	8.5	8
Link House ...int	5	Apr 19	4.5	—	13.9
Lloyds Bank	17.84	Apr 5	14.66	28.5	24.58
Macallan-Glenlivet	5.65	—	4.9	7.9	7.15
Yarrow ...int	2.5	June 15	2.5	—	9

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

Avana says its offer is final

The Avana Group, which is bidding for confectioners Bassett Foods, has formally announced that it will not increase the value of its bid. The period of acceptance has also been extended to 3 pm on March 23.

The terms of the offer are two Avana shares for every seven Bassett. Under Rule 42 of the Takeover Code, Avana is now formally barred from raising its offer, unless Bassett receives a counter-bid.

Dollar Land $3.5m tax refund

Dollar Land Holdings, which has been engaged in litigation over the sale of its U.S. properties for the past 15 years, says it now expects to receive a net repayment of $3.5m worth of real estate taxes from the City of Yonkers.

The action for the recovery of the overpayment of taxes in respect of the Cross County Center, by Dollar Land's New York subsidiary, County Dollar Corporation, has been concluded without further opportunity for appeal, the Dollar Land chairman Mr Hugh Brackett says in a letter to shareholders.

The total amount of the court judgment is about $4.6m, comprising $700,000 in respect of the period from 1962 to October 4 1968 and $3.9m in respect of October 5 1968 to 1976.

These amounts are subject to additions for interest and deductions for legal costs and the participation of the estate of Mr Sol Atlas, the developer of the Cross County Center.

The amount resulting from the 1962-68 period will have no impact on the purchase money mortgage element of the sale but the second amount would be treated as a payment in part redemption of this mortgage.

Dollar Land does not know when it will receive payment from Yonkers but discussions are about to commence, Mr Brackett says.

Midway fall to £11,000 at Breville

MAJOR CHANGES which have taken place in its markets over the past year have hit Breville Europe, the domestic electrical appliance distributor. For the six months ended December 31 1983 sales have slumped from £10.12m to £2.6m and profits before tax are only £11,000, compared with £1.54m in the corresponding period.

Shareholders of this USM company are not receiving an interim dividend, against 1.75p net; and a decision regarding the final—3.15p last time—will be made when the full year results are known.

The company will continue its policy of identifying innovative domestic appliances and marketing and promoting them. This has been a "key factor" in its past success, the directors state, but it will take some time for a recovery in profits to be achieved. They say the balance sheet remains sound, with net assets at the end of December of around £4.7m, including cash of some £1m.

In the first half the market for small domestic appliances became highly competitive as suppliers have been less able to withstand pressures from the trade on price levels, and consumer demand for the company's products has also declined. Margins also suffered from the lower level of sterling.

Sandwich toaster sales to the consumer fell during the important Christmas period and this aggravated the already depressed conditions in the trade which, after the heavy over-stocking at the end of 1982, took the opportunity to reduce stocks substantially.

However, the company continues to have a significant share of the market, the directors claim. After the run-down of stocks last year, future sales of sandwich toasters to the trade should more directly reflect sales to the consumer.

In its other products (air care machines, electric jug/kettles, food processors) Breville experienced the same problem of overstocking in the trade and severe price competition, and sales volumes were significantly lower.

Historically, January and February are poor selling months, and this year has not produced any significant change of pattern, the directors tell members.

Mr M. A. Fraser has been appointed commercial director.

● comment

Breville is a prime example of how a company can burn its fingers by putting most of its eggs in one basket. Two years ago it came up trumps by spotting a largely unfulfilled demand for sandwich toasters—and promptly made a meal of it. At its peak toasters brought in perhaps three quarters of 1981-1982's £3.6m profit. Then, suddenly, a host of other distributors climbed on the bandwagon, leaving margins distinctly anorexic, the market bloated and Breville without any gravy. The fundamental problem is that the company did not have any other products to fall back on. Clearly, the most hopeful aspect of the statement is the assurance that the company is busy "innovating" a new product but having been roasted once by its competitors, it is naturally reluctant to make an early announcement. With profits in the first half so lean, it is clear that the normally slimmer second half will bring a hefty loss to the full year. Fortunately the balance sheet is healthy. At 18p, down 8p, the company is capitalised at just under £3m.

Bibby agrees on £8m for Makin

BY CHARLES BATCHELOR

J. Bibby & Sons, the Liverpool-based agricultural and industrial group, is making an agreed £8m cash bid for J. & J. Makin Paper Mills, the paper-maker and converter based in Rochdale.

Bibby is offering 490p cash for each Makin 25p ordinary share. There will be a full share alternative in Bibby 50p shares, the precise terms of which will be arranged immediately before despatch of the formal offer documents to provide a value per Makin share of at least 480p.

There will also be a loan note alternative equal to 490p nominal per Makin share.

Makin's shares, which were suspended on Thursday at 243p, almost doubled in price on their relisting yesterday to 485p. Bibby's shares fell 9p to 369p.

The Bibby offer has the backing of shareholders owning 53.4 per cent of the Makin equity, including directors with 31.2 per cent.

Earlier this week, Makin reported a 49 per cent increase in pre-tax profits to £536,000 for the six months ended September 30 1983 on turnover £1.5m higher at £10.56m.

Makin employs 425 people at its factories in Rochdale, Disley, and Oakenholt. It had net tangible assets attributable to shareholders of £6.4m as at March 31 1983.

Bibby's paper and converted products division contributed £1.72m worth of trading profit on turnover of £15.8m in 1982 to total Bibby industrial group trading profits of £8.75m and sales of £98m.

The division comprises the Henry Cooke company, which supplies about 20 per cent of the total UK market for machine glazed kraft papers from its mill at Beetham, Cumbria.

Michael Black rejects Emess and Highgate bids

Michael Black, the Glasgow video and consumer electronics distributor, yesterday rejected both rival takeover bids which have been launched by Emess Lighting and by Highgate & Job.

Mr C. K. Black, chairman of Michael Black, in a letter to shareholders, said: "Your company is cash rich and owns valuable properties. Neither offer reflects the true value of your shares or the substantial asset contribution you would be making to an enlarged group."

He dismissed the Emess offer, worth £2.71m, as totally inadequate, as offering no final dividend on Black's shares and as leading to a significant reduction in shareholders' income.

Future income under Highgate & Job, which has made a bid worth £2.96m, would be uncertain and the realisable value of Highgate's shares is dubious, he added.

Mr Black said the group had £600,000 of cash balances surplus to its immediate trading requirements.

It had received an offer in cash of £855,000 for its main property in West Regent Street, Glasgow, significantly above the book value of £668,000. The part of the property used by the company could be replaced locally for an annual rent of £10,000 so this offer will be accepted, subject to shareholders' approval.

Net assets of the group are expected to amount to about £2.5m—89.5p per share—including £1.69m-worth of investment properties and surplus cash.

Black's shares were unchanged at 68p yesterday. Emess's shares were also unchanged at 280p, valuing its offer at 66p per share, while Highgate's shares rose 10p to 180p valuing its offer at 72p per share.

Costain pays £15m for Land and Marine

Costain Group has purchased Land and Marine Engineering, a UK subsidiary of Royal Boskalis Westminster NV.

The consideration is a payment of Fl 65m (approximately £15m) for a 75 per cent interest, with a further payment after three years for the remaining 25 per cent related to the results of Land and Marine over the period 1984-86.

In 1983, the company achieved pre-tax profits of approximately £3.1m on turnover amounting to £36m.

Land and Marine is engaged in marine civil engineering and offshore service activities.

* * *

James River, through a subsidiary acquired on March 8, 300,000 further ordinary shares and accordingly, subsidiaries of James River now own a total of 2.48m ordinary (33.16 per cent).

* * *

Sun Chemical has acquired a total of 6.98m (83 per cent) ordinary shares in Ault and Wiborg. On February 23, Sun said it would buy Ault and Wiborg ordinary offered before yesterday at 46p.

* * *

Industrial Equity has taken a stake in Tozer, Kemsley & Millbourn (Holdings), vehicle distribution group. Sydney-based Industrial Equity, which is controlled by Mr Ron Brierley, New Zealand businessman, now has a holding of 8.1 per cent. TKM's former chairman, Mr Ken Thorogood, is still thought to hold his 9 per cent stake in the company while Mass Development of Bahrain retains a 10.2 per cent interest.

Lacey pays £200,000 to boost his Finlay holding

Amadeus, the Bermuda-based investment company headed by Mr Graham Lacey, has spent a further £200,000 boosting his stake in John Finlan, the Cheshire-based builder and developer, from 14.99 per cent to about 19 per cent.

The initial purchase, two weeks ago, was from Mr Stewart Jamieson, who has just resigned as John Finlan's chairman after nine months in the post. It marked the return to the UK corporate scene of Mr Lacey after an absence of almost two years.

In 1982, Mr Lacey's private company, Birmingham and Midland Counties Trust, went into receivership. It was heavily invested in NCC Energy, which made an abortive and eventually high-cost takeover bid for Simplicity Patterns of the U.S.

NCC was wound up by an offshoot of Midland Bank and was rescued by Mr Ned Cook's Cook International, the pest control and insurance broking business.

Finlan's new chairman, Mr John Finlan, last week welcomed the Amadeus acquisition: "We have read everything that has been written about Mr Lacey and have concluded that he has had some bad luck," he said.

RESULTS DUE NEXT WEEK

HARD ON the heels of last week's financial results from the banking majors comes the preliminary announcements from some big names in the oil industry, namely Royal Dutch/Shell Group, BP, Ultramar and LASMO. They will be reporting against the background of the latest unsettling developments in the protracted war between the oil-rich countries of Iran and Iraq and the corporate battles that are taking place in the boardrooms of many U.S. oil companies. Notwithstanding these uncertainties, the oil sector has been more stable of late than it has been for some time, with declining energy demands beginning to flatten out in Europe and showing an upturn in the U.S. At the political level, an apparent outbreak of Opec unity has meant that the prospect of a cut in the official oil price has receded.

The increase in U.S. demand, along with fragmented advances elsewhere, was confirmed by Shell in its third quarterly report last November. The company has been aggressively seeking to regain lost market share—and next Thursday's results will probably report an element of success now that some of the world's surplus oil capacities are being used and oil and gas production is on a strongly rising trend in the North Sea. Estimates vary, but analysts are predicting a net income of between £2.4bn and £2.6bn, against £1.99bn last time, with the Fifo method of accounting turning in stock losses of perhaps £140m, compared with profits of £62m.

BP's results, which appear on the same day, are also expected to show a strong advance. In general, BP's production profile has been flatter than usual because of the decline in the Forties Field, but downstream activities elsewhere should compensate. The general consensus is for BP, which is in the midst of heavy rationalisation of its refining capacity, to turn in a net income of around £840m to £850m (£716m) after stock losses of roughly £139m, compared with profits of £62m.

It has already been announced that the full-year results from Ultramar, which are due on Wednesday, will reflect the interruption to business from the explosion earlier in the year at an LNG plant in Indonesia. Any slowing down of growth should be made up in the fourth quarter by the doubling of capacity in Indonesia, the fact that the Maureen Field has come on stream in the North Sea and that the refinery in Quebec has now been upgraded to produce more higher-value products. This should enable the company to boost last year's net income of £104.1m to roughly £115m.

LASMO's past growth has been on the back of the North Sea's Ninian Field which, like the Forties, is in decline. The company has bought a 15 per cent stake in the Beatrice Field but this has not compensated yet. Elsewhere, LASMO is becoming involved in Indonesia, but production is still slow to build up. Consequently, analysts are not expecting any fireworks when its results are announced on Tuesday. Generally, they expect a downturn in net income from £36.2m to roughly £28m, although one analyst thinks the margin will be smaller at around £34m.

Two of Britain's biggest engineers announce their full-year figures for 1983 next week—GKN on Wednesday and TI on Thursday. Both have been much in favour with the stock market lately, with their shares hitting year highs in the past week. Both, as it happens, have a bid flavour—GKN should hear very shortly whether it may proceed with its takeover of AE, and rumours of a bid for TI, though much quieter lately, are still in the back of investors' minds. But the figures should also show strong evidence of fundamental recovery. TI's domestic appliance and bicycle businesses have been doing very well, in the UK at least, and though losses in steel tubing may have mounted in the second half, the situation should be much improved in the current year. Indeed, the company could well have seen the back of all serious divisional losses by the end of 1983. GKN, too, should be reaping the benefits of its previous rationalisations. In addition, the strength of recovery in the U.S. auto market, and to a lesser extent in Europe, will have done a lot for profits in GKN's components division. Forecasts for both companies are quite widely spread: for GKN, the mid-range is around £90m (£40.8m), and for TI £17m (£4.7m).

Interest in BTR's full-year results, due on Wednesday, will be sharply focussed on how far the tightly-run conglomerate has got to grips with the sprawling Thomas Tilling group it acquired in mid-year. The signs are that Tilling's profits are up in the second half, despite the continued problems in the U.S. energy equipment sector, due to better sales and BTR's cost-cutting measures. In BTR's own businesses, the traditional tight control is expected to have compensated for dull demand, though poor figures are likely from South Africa where the recession has been particularly severe. Looking at the balance sheet, the City is anticipating net gearing of about 80 per cent of shareholders' funds, though much depends on property revaluation at Tilling. The enlarged group's pre-tax profits could be £168m against £106.7m last time.

Other notable preliminary results next week come from Steetley on Monday, Rowntree Mackintosh on Wednesday, and United Biscuits and Transport Development Group on Thursday. Interims are due from Wolseley-Hughes on Monday, Barratt Developments on Tuesday, and Bejam and Brooke Bond on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Barker and Dobson Group	Thursday	—	—	—
Beatson Clark	Monday	3.3	5.7	3.3
BTR	Wednesday	4.75	5.25	6.0
Camellia Investments	Tuesday	3.0	4.0	4.0
Cement Roadstone Holdings	Wednesday	2.3	3.56	1.0
De Beers Consolidated Mines	Tuesday	—	—	—
East Lancashire Paper Group	Thursday	1.66	1.84	1.66
Farmer S. W. Group	Tuesday	3.1	6.65	3.1
Federated Housing	Wednesday	—	—	—
Fisher, James and Sons	Thursday	1.325	1.5	1.4
Garfunkels Restaurants	Tuesday	0.86	1.0	0.86
Great Northern Telegraph	Thursday	—	9.2	—
Greenfields Leisure	Tuesday	0.25	1.0	—
Grattan	Thursday	1.0	—	—
Guernsey Atlantic Securities Trust	Monday	—	1.6	—
Hewitt, J. and Sons (Fenton)	Wednesday	0.45	1.95	0.6
Horizon Travel	Wednesday	0.8	2.8	0.88
House of Lerose	Thursday	3.0	4.6	4.0
Invergordon Distillers	Thursday	1.5	2.5	1.5
London and Manchester Assurance	Friday	4.34	9.31	4.97
Pentos	Monday	—	—	—
Promotion House	Wednesday	—	—	—
Rowntree Mackintosh	Wednesday	2.9	5.9	3.2
Sedgewick Group	Thursday	2.5	4.5	2.75
Westland/Utrecht Hypotheekbank	Wednesday	—	—	—
Williams Holdings	Friday	—	—	—
Wolstenholme Rink	Thursday	2.5	3.75	2.5
INTERIM DIVIDENDS				
A and G Security Electronics	Monday	0.825	1.175	
Brooke Bond Group	Thursday	1.25	2.85	
Chambers and Fargus	Thursday	—	0.75	
F and C Eurotrust	Tuesday	1.5	1.55	
Howden Group	Thursday	2.086	4.829	
Jarvis, J. and Sons	Wednesday	7.2	8.8	
Lautex	Wednesday	—	—	
Mucklow, A. and J. Group	Thursday	2.1	2.4	
Trafford Park Estates	Wednesday	3.25	6.0	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

BIDS AND DEALS IN BRIEF

The offers by Thorn EMI for the outstanding 5 per cent and 3¾ per cent preference stock of Metal Industries have been declared unconditional and extended until further notice.

As at March 8 acceptances for the 5 per cent totalled 98.5 per cent of the offer, and for the 3¾ per cent they had reached 92.8 per cent.

* * *

Sussex Beach holiday village near Chichester has recently been bought by Garden City Bungalow Parks, a subsidiary of Latham Trust, property investment, housing and leisure group based in Kent.

Sussex Beach was formerly owned by Leisure Holidays, part of the Rank Organisation.

The site extends to some 30 acres and caters for 1,500 people in modern, luxury bungalows.

* * *

H.A.T. Group has issued 68,582 ordinary shares credited as fully paid, as final consideration for the acquisition in April 1981 of Tulsecastle.

* * *

The boards of Downs Surgical and Smiths Industries announce that a resoultion implementing the reorganisation of Downs' share capital has been passed.

The directors also say that the offers by Smiths and Downs have become unconditional in all respects and will remain open for acceptance until further notice.

* * *

The offer by Pleasurama for the shares of Associated Leisure has been accepted in respect of 38.52m shares, or 92.5 per cent. It has been declared unconditional as to acceptances and will remain open.

* * *

Devoe Holbein and a subsidiary of John Brown Engineers and Constructors International have signed a final agreement to form a Dutch-registered joint venture, Devoe Holbein/John Brown, to develop and sell equipment to remove metals from solutions.

* * *

Morgan Guaranty Trust Company of New York as the consequence of a transaction on February 21 holds on behalf of discretionary investment clients 1.838m ordinary (5.85 per cent) in Single Group.

IBS seeks £2.35m from rights issue

BY WILLIAM DAWKINS

Immediate Business Systems, the troubled manufacturer of portable billing equipment, which was suspended from the Unlisted Securities Market last month, is calling on its shareholders for £2.35m.

IBS's shares were re-admitted to the USM after yesterday's announcement of a trading forecast backed by Peat, Marwick, Mitchell & Co, its accountants.

The shares were suspended on February 16 pending the completion of re-financing proposals, a week after the company revealed that losses had risen from £790,000 to £1.23m in the six months to last September.

The directors reported it had taken longer than expected to reach a point where orders could finance research and development, as well as routine running costs.

Now the directors say that of the £5m potential sales reported in last year's accounts, nearly £4m have been contracted and the supply of those systems is under way. Additional revenue will be received from annual software licences and software contracts, and pilot orders now under way could lead to further orders worth a total of £4.5m.

IBS is issuing 6,750,000 new ordinary 10p shares at 40p each on a one-for-one basis. The directors say that the company would be unable to continue trading unless further working capital is raised pending the expected increase in revenues.

They estimate that losses for the year to March 31 will rise from £1.6m to not more than £2.45m, but a substantial improvement in trading results would follow.

Last April, IBS raised £2.52m via a one-for-four rights issue. The company was launched on the USM at a placing price of 90p per share early in 1982, after a management buy-out from Plessey. Its shares peaked at more than 300p before sinking back to 58p, where they were suspended

Margetts & Addenbrooke, brokers to IBS, have fully underwritten the issue. Provisional allotment letters will be posted on March 26 and dealings are expected to begin the next day.

● comment

Coming hard on the heels of last year's rights issue and its deepening losses, Immediate Business System's new cash call may have a desperate ring about it. Yet IBS is raising finance for rather different reasons this time. Last April, it was looking for research and development funds. Now that firm orders have at last emerged from two U.S. utilities and two UK electricity boards, IBS is looking instead to finance working capital, R&D spending, which accounted for almost the entire interim loss, should now tail off sharply to minimal levels, and the group expects to be in the black by 1984-85, although dividends are still a long way off. The immediate billing system, for which there is no serious competitor, has been well received, the initial inappropriateness of the data retrieval system for the U.S. market has been fully corrected, and the balance sheet is clean. However, it is still a high risk investment, and the 40p issue price gives only an 11 per cent discount to yesterday's market price of 45p, down 13p. So it would not be surprising if some of the stock was left with the underwriters.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Hawker Siddeley took outright control of Carlton Industries, the Invergordon distilling, Oldham batteries and home improvement group, after paying London and Merchant Securities £16.1m for the outstanding 26.8 per cent of the Ordinary and 17 per cent of the Preference capital.

Greetings card concern W. N. Sharpe rejected an intimated £28m bid from Octopus Publishing. The latter said that it has the backing of institutions owning 13.45 per cent of the Sharpe equity and, subject to certain conditions, may make a 390p per share offer for Sharpe. Sharpe regards the intimated offer as an opening shot.

Almost six months after disclosing a 7 per cent stake in Francis Industries, the packaging and gearbox group, Suter Electrical is negotiating terms for a full offer. Preliminary talks started last Wednesday and it is expected that an agreement can be reached to coincide with the announcement of Suter's results at the end of next week.

Bollough, the engineer and furniture maker, bought privately-owned Westwood Holdings for £4.8m. Westwood manufactures paper shredders, guillotines, collaters and binding machines.

Palmer and Harvey, a private concern with retail and wholesale tobacco interests, made an agreed 30p per share cash bid for P. Panto, the loss-making wholesale tobacconist, confectioner and grocer, valuing the latter at £1.28m. The Panto board, which holds a 22.05 per cent stake, intends to accept the offer.

Marston, Thompson and Evershed won the hotly-contested bid battle for Border Breweries (Wrexham) with an offer worth £13.84m. Rival suitor Forshaws Burtonwood Brewery withdrew from the bidding on Wednesday, saying that Border had failed to provide the information it needed to make an offer in excess of 250p per share. Marston, which already owns 13.46 per cent of the Border equity, has undertakings from owners of a further 37.93 per cent, taking its total stake to 51.39 per cent. Marston is offering two of its own shares plus 120p cash for each Border share, valuing the latter at 254p per share.

Irish Distillers made an agreed cash and shares offer worth £12.6m for BWG, formerly Brooks Watson Group, the Dublin-based food, drinks and farm machinery distributor. Irish Distillers is offering one of its own shares plus £11.92 cash for every four BWG shares. BWG directors intends to accept the offer in respect of their own and family holdings amounting to 12.8 per cent of the equity.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Acro Needles	60*	80	81	2.56	Coats (J. & P.)
Alexanders Discnt	563	550	543	23.22	Mercantile Hse
Ault & Wiborg	46*	47	23††	4.70	Sun Chemical
Bassett Foods	147	145	99	17.75	Avana
Black (Michael)	68§§	68	47	2.46	Emess Lighting
Black (Michael)	72	68	55	2.69	Highgate & Job
Border Brew	250§§	245	290	13.43	Marston Thmpsn & Evershed
BWG	76‡§§	75	65††	11.93	Irish Distillers
Dreamland Elect	28§	26	29	4.21	Valor
Edith	57*	57	47	55.95	Invs in Industry
GB Papers	73*	72	56††	5.45	James River Cpn
Hales Props	200	194	140	3.76	Belgrve (Blckhth)
Hanger Invs	54§§	52	34††	4.98	Cowie (T.)
Ingram (H.)	65*	320	80	1.02	Wassken
Int Paint	217	213	162	19.51	Courtaulds
London Brick	175	185	104	††247.14	Hanson Trust
Makin (J. & J.)	490*	485	243††	8.04	Bibby (J.)
Martin (Albert)	42*	37	39	3.50	Wilson & Co
Maynards	250*§	225	198	6.34	Lewis E. Cartier
Miller F. (Textls)	52§	51	45	5.99	Vantona Viyella
Oil & Assoc Inv	‡‡	140	137	‡‡	Cluff Oil
Panto (P.)	30*	29	23	1.28	Palmer & Harvey
Porter Chadburn	80*§	114	112	1.46	G. M. Firth
Prince of Wales Hotels	145*	145	117	7.90	Taddale Invs
Rosedimond Inc	53	53††	50	3.17	English Assocn
Rosedimond Cap	221	215††	185	5.88	English Assocn
Scan Data	119	115	100	2.65	Audiotronic
Sharpe (W. N.)	390*	497	330	21.80	Octopus Publshng
Sharpe (W. N.) A NV	390*	480	340	6.86	Octopus Publshng
SIG Davall	50	44	35	3.88	Vinten
Sperati (C. A.)	155*	330	170	0.09	Nash (P.) & Alexander (S.)
Stylo	325*	263	311	32.35	Harris Queensway
Walker (James)	158*	158	152	14.11	Samuel (H.)
Wlkr (James) NV	131*	130	122	14.34	Samuel (H.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ‖ Unconditional. ¶ Based on 2.30 p.m. prices. ** Based on 9/3/84. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Related to NAV to be determined.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Allied Textiles	Sept	3,500	(3,190)	—	(—)	—	(—)
Antofagasta	Dec	4,500	(2,150)	44.1	(27.9)	13.0	(10.0)
Arnott & Co Dbln	Jan	2,270	(3,110)	—	(—)	5.5	(5.5)
Bairstow Eves	Dec	1,560	(1,220)	—	(—)	1.61	(0.53)
Barclays Bank	Dec	557,000	(435,000)	84.8	(96.7)	24.0	(22.0)
Barlow Holdings	Dec	5,910	(4,070)	7.5	(5.3)	4.4	(4.0)
Bensons Crisps	Dec	287	(402)	4.0	(8.4)	1.0	(—)
Bick & Edgington	Dec	1,400	(1,200)	7.0	(5.3)	—	(—)
British Vita	Dec	10,550	(7,850)	24.2	(14.0)	5.9	(5.4)
BWG	Dec‡‡	2,600	(2,280)	7.4	(6.1)	—	(—)
BSR Int	Dec	20,940	(17,350)L	11.8	(18.5)L	1.85	(—)
Cadbury Sch	Dec	106,900	(89,700)	12.6	(11.0)	5.4	(4.9)
Corah	Dec	2,680	(2,550)	7.2	(7.0)	3.7	(3.5)
Crouch, Derek	Dec	886	(574)	2.6	(5.5)	3.42	(3.42)
Davies & Metcalfe	Dec	823	(1,010)	—	(—)	2.21	(2.11)
Fife Indmar	Dec	703	(729)	17.5	(23.4)	6.6	(6.3)
Fisons	Dec	31,200	(21,100)	37.6	(20.9)	15.0	(12.5)
Glanfield Lawrence	Dec	114	(51)L	4.6	(23.0)L	—	(—)
Hawley Group	Dec	14,200	(5,500)	—	(—)	—	(—)
Henlys	Dec	3,900L	(5,970)L	—	(—)	—	(—)
Isle of Man Ent	Oct	106	(89)	8.7	(7.4)	4.5	(4.0)
Johnston's Paints	Dec§	1,930	(1,850)	13.3	(13.3)	4.0	(3.77)
Jourdan, Thomas	Dec	672	(470)	7.4	(7.2)	5.78	(5.6)
Mercantile Credit	Dec	33,460	(42,490)	—	(—)	—	(—)
Midland Bank	Dec	251,000	(225,000)	—	(—)	25.5	(25.5)
Mt Charlotte Inv	Dec	4,600	(1,210)	4.1	(3.0)	1.03	(0.89)
Nat Westminster	Dec	503,000	(459,000)	166.0	(187.0)	31.2	(29.0)
Needlers	Dec	191	(125)	7.1	(4.6)	4.2	(4.0)
New Darian Oil Tr	Jan	55	(54)	0.3	(0.5)	—	(—)
New Equip	Oct	263	(268)	7.3	(7.2)	1.15	(1.15)
Olives Paper Mill	Dec	35	(23)	2.0	(0.7)	—	(—)
Oriflame	Dec	4,625	(3,095)	0.8	(0.7)	0.4	(0.3)
Phicom	Dec	2,360	(914)	3.4	(1.5)	0.75	(0.5)
Provident Fin	Dec	17,620	(10,290)	23.6	(11.8)	9.0	(8.0)
Rusme Sims & J.	Dec	3,220	(2,050)	37.1	(30.7)	15.0	(12.0)
Silverthorne	Jan‡‡	240	(245)	3.9	(4.2)	1.75	(1.75)
Systems Des	Dec	1,350	(1,060)	24.1	(18.6)	2.4	(1.5)
Tilley Int	Sept	20L	(2)	—	(—)	—	(—)
Unidare	Dec‡	2,650	(2,170)	—	(—)	3.5	(7.5)
Unilever	Dec	169,000	(134,000)	102.3	(100.4)	30.65	(28.83)
Waterford Glass	Dec‡	10,170	(5,450)	4.5	(3.6)	1.66	(1.51)
Wilkes, James	Dec	132	(87)L	4.3	(—)	4.31	(4.31)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AAH Holdings	Dec§	6,450	(5,570)	2.43	(2.21)
Boulton, William	Dec	487L	(341)L	—	(—)
Burndene Inv	Dec§	49	(31)	—	(—)
Combined Tech	Dec§	3,690L	(3,060)L	—	(—)
Framlington	Dec	680	(421)	3.0	(—)
Galliford	Dec	1,020	(1,370)	0.7	(0.7)
Grosvenor Group	Dec	362	(217)	2.25	(2.2)
Invent Energy	Nov‡	1,170L	(2,560)L	—	(—)
Makin J. J. Fpr M	Sept	536	(359)	1.0	(1.0)
Medminster	Dec	179	(147)	1.75	(1.6)
Memcom Int	Oct	94	(32)L	—	(—)
Microfilm Rep	Dec	101	(110)L	0.5	(1.25)
Mitchell Cotts	Dec	3,454	(2,677)	1.5	(1.5)
Parker Knoll	June	1,420	(1,400)	3.0	(2.5)
Perkin Elmer	Dec	1,550	(1,270)	—	(—)
Platon Int	June	160	(—)	—	(—)
Sinclair, William	June	181L	(420)L	1.5	(1.5)
Strong & Fisher	Dec	1,210	(826)L	—	(—)
Telefusion	Oct	1,250	(1,795)	0.52	(0.52)
VW Thermax	Dec††	803	(1,300)	2.0	(—)

(Figures in parentheses are for the corresponding period.)
*Dividends are shown net pence per share except where otherwise stated. † 27 weeks. †† Figure for last week was a comparable profit for 12 months not six months. ‡ Comparable figure for last year to end of May 1983. § 53 weeks. ‡‡ In 12. ¶ Nine months. ‖ Equivalent after allowing for scrip issue. ¶¶ 66 weeks. a Figure for 15 months. L Loss.

Offers for sale, placings and introductions

Platon International—Coming to the USM via a placing of 604,061 ordinary shares at 120p per share.
Systems Reliability is to come to the main stock market with an offer of 2.63m shares at 270p per share.

Rights Issues

Glanfield Lawrence is to raise £665,000 (after expenses) via a rights issue of 2,940,670 new ordinary shares on the basis of five for four at 25p per share.
Hawley Group is to raise £34.3m via a seven for 20 rights issue at 80p per share.

COMPANY NEWS IN BRIEF

In line with expectations at the interim stage at Macallan-Glenlivet, pre-tax profits of £671,000 for 1983 showed a gain on the £503,000 for the previous year. Turnover of this distiller of malt whisky moved up from £3.61m to £3.93m.

The net final dividend is raised from 4.9p to 5.6p, making a higher total of 7.9p (7.15p). Earnings per 25p share increased from 22.4p to 30.35p. A two-for-one scrip is proposed.

* * *

Berkeley Exploration and Production, which trades its shares on the USM, has produced lower pre-tax losses of £409,000 against £1.56m on turnover of £73,000 compared with £101,000 for 1983. Losses per share fell from 20.06p to 4.1p.

Over the last two years the directors say they have laid a sound foundation for the company. They are confident that with its improved finances and acquisition of an interest in the Forties Field in the North Sea, they will be able to exploit existing acreage and acquire further acreage, and so continue the company's development.

* * *

Christy Bros, electrical and mechanical engineer, has cut its loss from £202,000 to £14,000 in the half year ended December 31, 1983. There was a £25,000 loss in the subsidiary, Christy Electrical, and this company is now being sold, subject to contract.

Despite an increased level of inquiries there has been no significant improvement in orders received compared with the second half of last year. The company remains "cautiously optimistic" for the future. Turnover for the period came to £1.84m (£1.42m). The loss per share was 0.7p (10.1p).

There are extraordinary debits totalling £21,000 (£18,000). This takes in a £15,000 provision associated with the proposed disposal and £6,000 arising from costs incurred in the purchase and removal of those assets of Sturtevant Engineering Products bought in last October.

* * *

The directors of Charles Sharpe and Co. are confident that the eventual outturn for the year may be equal to or better than last year. For the six months to the end of 1983 this seed grower and merchant saw turnover rise from £4.45m to £5.85m.

In the last full year turnover came to £16.45m and pre-tax profits amounted to £548,000.

* * *

Net asset value per 25p share rose from 560.1p to 685.4p at Alliance Trust for the year to the end of January 1984. At the interim stage the figure stood at 633p. The directors say that net assets of £345m are a new record, having doubled over the past three years.

Net revenue for the year increased from £6.4m to £6.92m on gross revenue of £13.02m (£11.73m). At the interim stage the directors forecast earnings per share at 13.5p and a final dividend of not less than 8.55p net. In the event earnings came to 13.73p (12.7p) and the final dividend is 9.5p (8.55p).

The total dividend is ahead from 12.3p to 13.5p.

* * *

Scusa Inc, American security company, produced profits for 1983 of $3.63m (£2.5m) on turnover of $14.6m (£10m), beating the $3.4m forecast made in August, 1983, when the company came to the USM.

Taxation amounted to $190,000 or just over 5 per cent, giving net profits of $3.44m. Earnings per share were $0.13. A dividend of one cent will be paid.

Profit before tax of the Scusa group for 1983, if subsidiaries had been owned for the full year, was forecast at $5.5m; the actual figure is $5.87m.

Mr Brian O'Connor, chairman, said that the contracted recurring revenue base had increased to $20m for the start of 1984, from $12m in the 1983 results; this provides a substantial basis for regarding 1984 prospects as excellent, he says.

EUROPEAN OPTIONS EXCHANGE

Series		March Vol.	Last	June Vol.	Last	Sept. Vol.	Last	Stock
[illegible]								
PHIL P	F.50	328	4.10	156	4.90	—	—	F.147.20
RD C	F.140	778	11.50 A	54	14.50 A	—	—	
RD C	F.150	371	6.90	91	10	35	15	"
RD C	F.160	275	3.80	334	7	52	10.60	"
RD C	F.170	73	1.90	96	4.50	33	8	"
RD P	F.140	45	2.10	51	5.50 B	—	—	"
RD P	F.150	155	7	8	10.50 B	6	14	"
UNIL C	F.260	26	6	10	14	8	20	F.249
UNIL C	F.280	79	2.60	21	8.50 A	1	10.50	"

TOTAL VOLUME IN CONTRACTS 18,048
A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Armco Trust Ltd.	8¾%	Hongkong & Shanghai	9 %
Associates Cap. Corp.	9½%	Kingsnorth Trust Ltd.	10 %
Banco de Bilbao	9 %	Knowsley & Co. Ltd.	9½%
Bank Hapoalim BM	9 %	Lloyds Bank	9 %
BCCI	9 %	Mallinhall Limited	9 %
Bank of Ireland	9 %	Edward Manson & Co.	10 %
Bank Leumi (UK) plc	9 %	Meghraj and Sons Ltd.	9 %
Bank of Cyprus	9 %	Midland Bank	9 %
Bank of India	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	8¾%	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	8¾%	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	■ J. Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered ‖	9 %
Castle Court Trust Ltd.	9½%	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	9 %
Choulartons	10½%	United Mizrahi Bank	9 %
Citibank Savings ¶	10½%	Volkskas Intnl. Ltd.	9 %
Clydesdale Bank	9 %	Westpac Banking Corp	9 %
C. E. Coates	9½%	Whiteaway Laidlaw	9½%
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank *	9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	8¾%		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 6%. Fixed rate 12 months £2,500 9% £25,000 12 months 9.5%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

Continued from Page 24

[illegible]

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange

[illegible]

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

[illegible]

(By permission of the Stock Exchange Council)

Economic Diary

TODAY: Conservative local government annual conference, Kensington Town Hall. Mr Garret Fitzgerald, Irish Prime Minister, begins six-day visit to U.S.

TOMORROW: EEC Agriculture Ministers start three-day meeting in Brussels on 1984-85 prices, and farm policy reform.

MONDAY: Producer price index numbers (February — provisional). Retail sales (February—provisional). EEC Foreign Ministers start two-day meeting in Brussels to prepare agenda for next week's European summit. EEC Finance Ministers meet in Brussels to consider progress on the European Monetary System. European Parliament session opens in Strasbourg (until March 16): discusses excise duties on wine and beer. FT two-day conference opens on pensions in 1984, Dorchester Hotel, W1. Business woman of the year competition, Institute of Directors. TUC conference on privatisation, London. Water industry pay talks.

TUESDAY: Budget Day. Index of output of the production industries (January). Construction output (fourth quarter). Building societies' monthly figures (February). Nine state caucuses and primaries in U.S. election campaign.

WEDNESDAY: Average earnings index; employment hours and unit wage costs (January—provisional). European Parliament debates common agricultural policy, Strasbourg. Institute of Credit Management national conference, London Hilton, W1. Teachers' pay talks.

THURSDAY: UK banks' assets and liabilities and the money stock (mid-February). London sterling certificates of deposit (February). TUC women's two-day conference opens, Torquay.

FRIDAY: Public sector borrowing requirement (February). Tax and price index (February). Retail prices index (February). Building societies' statement on mortgage rate. British/Chinese talks in Peking on Hong Kong.

Granville & Co. Limited

Member of NASDIM

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

Over-the-Counter Market

1983-84 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord	126	—	6.4	5.1	7.3	9.5
158	117	Ass. Brit. Ind. CULS	139	—	10.0	7.2	—	—
78	62	Airsprung Group	70	—	6.1	8.7	20.0	20.0
38	21	Armitage & Rhodes	28	—	—	—	—	—
320	141½	Bardon Hill	320	—	7.2	2.3	13.1	26.6
58	53	Bray Technologies	58	—	2.7	4.7	10.6	11.4
200	197	CCL Ordinary	197	—	5.0	2.5	4.5	6.3
151	121	CCL 11pc Conv. Pref.	147	—	15.7	10.7	—	—
385	100	Carborundum Abrasives	385	+ 5	5.7	1.5	—	—
249	100	Cindico Group	103	—	17.6	17.0	—	—
63	45	Deborah Services	61	—	6.0	9.8	32.6	63.0
206	75	Frank Horsell	205	—	—	—	8.8	14.1
191	75½	Frank Horsell Pr Ord 87	191	—	8.7	4.6	8.0	13.2
69	28	Frederick Parker	28xd	—	4.3	15.4	—	—
38	32	George Blair	35	—	—	—	—	—
80	46	Ind. Precision Castings	48xd	—	7.3	15.2	13.3	16.5
350	134	Isis Conv. Pref.	350	—	17.1	4.9	—	—
121	61	Jackson Group	119	—	4.5	3.8	6.2	12.2
242	169	James Burrough	241	—	11.4	4.7	13.3	13.7
346	275	Minihouse Holding NV	346	+ 1	4.0	1.2	26.0	31.7
176	106	Robert Jenkins	106	—	20.0	18.8	12.3	8.3
74	59	Scruttons "A"	59	—	5.7	9.7	9.8	7.1
120	62	Torday & Carlisle	62	—	2.9	4.7	—	—
444	385	Travian Holdings	432	+ 2	—	—	8.8	8.0
26	17	Unilock Holdings	18	—	1.0	5.5	11.6	17.1
92	65	Walter Alexander	87	—	6.8	7.8	7.6	10.1
276	236	W. S. Yeates	240	—	17.1	7.1	3.7	7.7

LONDON TRADED OPTIONS

[illegible]

Mar. 9. Total Contracts 3,606. Calls 1,532. Puts 874.
*Underlying security price.

WORLD STOCK MARKETS

Decline resumed on Wall St

THE RECENT decline resumed on Wall Street yesterday, interrupted only by a small rally on Thursday.

By 1 pm the Dow Jones Industrial Average was off 9.21 to 1,137.88, making a fall of 33.60 on the week, while the NYSE All Common Index, at $88.76, lost 63 cents on the day and $2.91 on the week. Declines led advances by an eight-to-three majority, while the volume decreased 3.58m shares to 56.1m.

One analyst said interest rate concerns are still bothering the Stock Market.

"There is no reason for the Federal Reserve to loosen its monetary policy. In fact, they've been too loose," he said.

Investors are also concerned about the continued strength of the U.S. economy. The Government announced that U.S. unemployment in January fell to 7.8 per cent from 8 per cent in December.

Trading activity was reduced because of a major snowfall in the New York area.

Gulf fell $1¾ to $65¼ and again the most active stock, accounting for nearly 2.4m shares.

Superior Oil were off $⅝ to $36⅞ and also actively traded.

Bank stocks were hit by speculation that they may take charges because of Argentina's financial problems. Chase fell $1½ to $48¾, Citicorp $1½ to $35½, Manufacturers Hanover $1¾ to $36½ and Bank America $½ to $20⅞.

Midland Energy jumped $2½ to $22⅞ on heavy volume. A Court refused to grant an injunction against investors buying its stock.

THE AMERICAN SE Market Value Index shed 1.12 to 206.86, making a loss of 5.90 on the week. Trading volume decreased 82,000 shares to 3.26m, compared with 1 pm Thursday.

Canada

Stocks turned lower at mid-session as weakness in Metals, Oils and Utilities countered emerging gains by Golds.

The Toronto Composite Index fell 14.3 points to 2,385.8. Metals and Minerals 19.5 to 2,203.3, Oil and Gas 14.3 to 3,374.7 and Utilities 3.97 to 310.38. But Golds firmed 6.4 to 4,763.7.

Newfoundland Capital "A" rose $⅜ to $10⅜ on takeover speculation.

Inco declined $⅜ to $16⅞—it forecast a return to profitability in 1984 but also announced plans for a 1.1m share offering in Canada.

Tokyo

Share prices closed higher for the first time in four sessions, helped by the overnight rally on Wall Street.

The Nikkei Dow Average recovered 37.90 to 9,997.22. Turnover 270 (same) shares.

"Small-lot" bargain hunting boosted Machine Tools, Electricals, Banks and Paper-Pulps, but investors held off in the afternoon ahead of the long weekend. The market will be closed today.

Makino Milling rose 50 to 1,500 on expectations that its current profit will reach record levels in 1984-85. Other Machine Tools also rose on good earnings prospects.

Some International "Populars" rebounded in line with Wall Street's rise, but were thinly traded because investors were uncertain about Exchange rate prospects and the Wall Street trend.

Steels rose, reflecting a recent rise in steel exports and a rise in Stainless Steel market prices here.

Investors bought Printings, Drugs and other shares, which will be little affected by changes in the Yen-Dollar rate.

Foreign investor activity remained slow, but buying and selling were in balnce. Foreign buying was noted of some Steels, Drugs and Banks.

Cameras recovered after falling in the past few days, but non-Ferrous Metals, Shippings, Trading Houses and Oils closed generally lower on limited liquidation.

Paris

Narrowly mixed in thin trading.

Investors were encouraged by Wall Street's modest climb on Thursday. But the good news was offset by the Bank of France's decision to raise the Call Money rate by ½ percentage point to 12½ per cent.

Banks, Financials, Motors and Hotels were generally higher. While Foods, Buildings and Public Works, Oils and Chemicals were mixed.

In mixed Electricals, La Radiotechnique, lost Frs 30 to 342 on its expected significant drop in 1983 profits.

Mechanical, Printing, and Metals were generally lower.

Foreign shares were generally higher, led by Golds following the recovery in Gold Bullion.

Coppers, German and Dutch stocks were also firm.

U.S. stocks were mixed, while Oils were lower.

Germany

After a firmer start, share prices drifted to close mixed in low turnover, marked by nervousness over the development of the dollar and U.S. interest rates.

Dealers said no strong selling pressure was evident, although some Foreign investors were seen "squaring" portfolios.

Construction firm Holzmann held unchanged at DM 435 after news that its construction output rose 3.5 per cent in 1983 but its orders on hand fell by 7.5 per cent.

Hong Kong

Share prices rebounded in relatively light trading on widespread rumours that Hongkong Land, up 13 cents to $HK3.90, was arranging a placement in London of some of its shares in Hongkong Electric Holdings, unchanged at $HK6.9.

The Hang Seng Index ended up 16.85 at 1,094.40.

Hang Seng Bank rose $HK1 to $HK45.75—its announcement of a 7.9 per cent increase in its 1983 net profits came after the close.

In other Corporate news, the reporting season got under way. Hang Seng Bank's net profit rose to $HK770m on the low side of analysts' expectations. Hang Seng, which is 62 per cent owned by Hongkong and Shanghai Bank, also announced a one-for-ten free scrip issue and a $HK1.13 final dividend.

HK Bank, parent bank of Hang Seng, moved up 5 cents to $HK8.95. Brokers noted the bank is scheduled to announce its 1983 results on Tuesday.

Brokers said that the market had been relatively listless until the rumours of Hongkong Land's placement began to spread. Hongkong Electric has been dealt actively and the object of much speculation in the past week.

Several analysts Friday said it is now clear that Hongkong Land, which owns just under 35 per cent of the utility, is burdened with a high level of debt and has sold off other assets in the past year to reduce borrowings. However, analysts said that Hongkong Land probably won't be able to reduce its holding much below 30 per cent in the near-term through the placements.

Gains were seen in Properties as investors awatied an announcement on the successful bidder for a prime residential site in the South-Eastern part of the Honk Kong Island.

Australia

A mild rally on Wall Street and higher World Gold and Metal prices helped shares to recover from a two-day decline. But the close was mixed in moderate trading.

The All Ordinaries Index finished 1.0 up at 719.3.

Base Metals and Gold Minings recovered from earlier declines due to better Gold and Metal prices. But Industrials remained soft on indications of higher Australian interest rates.

Dealers said a somewhat weaker Australian dollar against its U.S. counterpart also helped the Exporting companies, whose contracts in U.S. dollars benefit when that currency gains strength.

Banks were slightly better with Westpac up 4 cents at $3.60.

Brewer Castlemaine Tooheys rose another 7 cents to $4.20 on its good half-year profit.

But News shed 5 cents to A$11, despite its good half-year result.

Closing prices for North America were not available for this edition.

Companies and Markets

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound weak

Sterling fell to an 11-month low in currency markets yesterday. Its trade-weighted index finished at 80.8, its lowest closing level since April last year. It opened at 80.9 down at 81.1 on Thursday and slipped to 80.8 at the noon calculation. Sentiment was influenced to some extent by the possibility of a nationwide strike by mineworkers. This could still command a strong psychological impact and pose a test for the Government.

Early New York trading saw sterling recover but rates fluctuated sharply because market conditions were disrupted by heavy snowstorms. In London sterling opened at $1.4685 and traded between $1.4560 and $1.4675 before closing at $1.4600-$1.4610, a rise of 25 points. It was lower against the D-mark at DM 3.77 from 3.7750 and FFr 11.6125 compared with FFr 11.62. It was unchanged at SwFr 3.12 and Y327.5.

The dollar finished on a weaker note, having failed to break the important DM 2.60 barrier. The market appeared reluctant to push the dollar much firmer ahead of the weekend and it finished at DM 2.5785 from DM 2.5870, having touched a high of DM 2.5875. Against the Swiss franc it eased to SwFr 2.1335 from SwFr 2.1370 and Y224.05 from Y224.45. It was also weaker against the French franc at FFr 7.9525 from FFr 7.9725. On Bank of England figures, the dollar's trade-weighted index closed at 125.6 from 125.4.

£ in New York latest

	March 9	Prev. close
Spot	$1.4640 4650	$1.4660 4680
1 month	0.12-0.16 dis	0.14-0.12 dis
3 months	0.55-0.59 dis	0.52-0.54 dis
12 months	2.80-2.90 dis	2.63-2.68 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

March 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4580-1.4675	1.4600-1.4610	0.11-0.16c dis	−1.11	0.52-0.57dis	−1.49
Canada	1.8480-1.8615	1.8525-1.8535	0.16-0.26c dis	−1.36	0.60-0.70dis	−1.40
Nethlnd	4.22½-4.28¼	4.24½-4.25½	1¼-⅞c pm	3.17	3¼-2⅞pm	2.94
Belgium	76.50-77.55	77.05-77.15	31-41c dis	−5.60	86-96dis	−4.72
Denmark	13.69½-13.84¼	13.73¼-13.74½	3-3⅞ore dis	−2.95	8⅞-9¼dis	−2.71
Ireland	1.2220-1.2360	1.2285-1.2295	0.31-0.45pm dis	−3.71	1.17-1.32dis	−4.06
W. Ger.	3.72½-3.79½	3.76½-3.77½	1⅛-⅞pf pm	3.58	3½-3pm	3.45
Portugal	189.00-191.00	189.50-190.00	195-500c dis	−21.98	660-1370dis	−21.40
Spain	216.45-218.85	217.00-217.20	160-180c dis	−9.40	515-540dis	−9.72
Italy	2330-2353½	2337½-2339½	15½-16½ lire dis	−8.21	50-52dis	−8.72
Norway	10.80¾-10.98	10.88½-10.89½	3¾-4¼ore dis	−4.61	11⅞-12½dis	−4.50
France	11.52-11.67½	11.60¾-11.61¾	4½-5½c dis	−5.17	19-21dis	−6.89
Sweden	11.15½-11.27½	11.21½-11.22½	1-1½ore dis	−1.34	4-4⅞dis	−1.54
Japan	325½-330¼	327-328	0.63-0.54y pm	2.14	2.21-2.10pm	2.63
Austria	26.25-26.70	26.47-26.52	6½-5⅞gro pm	2.66	17½-14pm	2.37
Switz.	3.09-3.13¼	3.11½-3.12½	1⅞-1½c pm	6.25	4½-4¼pm	5.77

Belgian rate is for convertible francs. Financial franc 79.05-79.15. Six-month forward dollar 1.18-1.23c dis. 12-month 2.70-2.80c dis.

THE DOLLAR SPOT AND FORWARD

March 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4560-1.4675	1.4600-1.4610	0.11-0.16c dis	−1.11	0.5-0.57dis	−1.49
Ireland†	1.1825-1.1920	1.1855-1.1865	0.23-0.20c pm	2.17	0.76-0.69pm	2.44
Canada	1.2660-1.2715	1.2710-1.2715	0.01c pm-0.01 dis	—	0.04-0.02pm	0.09
Nethlnd.	2.8975-2.9140	2.9095-2.9115	1.05-0.95c pm	4.12	3.15-3.05pm	4.26
Belgium	52.60-52.85	52.77-52.79	15-17c dis	−3.64	35-40dis	−2.85
Denmark	9.4025-9.4300	9.4175-9.4225	¾-1¼ore dis	−1.27	¾-1¼dis	−0.42
W. Ger.	2.5640-2.5875	2.5780-2.5790	1.02-0.97pf pm	4.63	3.09-3.04pm	4.76
Portugal	129.60-130.70	129.90-130.40	125-325c dis	−20.70	4.05-860dis	−19.39

UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 54.10-54.20.

OTHER CURRENCIES

EXCHANGE CROSS RATES

MONEY MARKETS

Further shortage

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £600m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £323m and a rise in the note circulation a further £230m. In addition banks brought forward balances £75m below target. These were partly offset by Exchequer transactions adding £50m.

The Bank invited an early round of assistance to meet the shortage and this resulted in purchases worth £50m, comprising £18m of eligible bank bills in band 2 (15-33 days) at 8⅞ per cent and £10m in band 3 (34-63 days) at 8⅞ per cent. In band 4 (64-91 days) it bought £10m of Treasury bills and £12m of eligible bank bills all at 8⅜ per cent. Further help was given during the morning of £95m. This was made up of purchases of £5m of Treasury bills in band 1 (up to 14 days) and £2m of eligible bank bills all at 8⅞ per cent, and £43m of eligible bank bills in band 2 at 8⅞ per cent. The Bank also bought £5m of eligible bank bills in band 3 at 8⅞ per cent and £40m in band 4 at 8⅜ per cent.

The forecast was later revised to a shortage of around £550m without taking into account the morning's assistance and the Bank gave additional help in the afternoon of £296m. This comprised purchases of £21m of eligible bank bills in band 1 at 8⅞ per cent and in band 2 £5m of Treasury bills and £4m of eligible bank bills at 8⅞ per cent. In band 4 it bought £3m of eligible bank bills at 8⅜ per cent. The Bank also arranged sale and repurchase agreements on £262m of bills at 8⅞-8⅜ per cent, unwinding in equal amounts on March 21 and March 22. Late assistance totalled £105m, making a grand total of £546m.

Three-month eligible bank bills were quoted at 8⅜-8½ per cent compared with 8½ per cent on Thursday while the three-month interbank rate rose to 9-9⅛ per cent from 8⅞-9⅛ per cent. Week-end interbank money opened at 9⅛-9¼ per cent and touched 5½ per cent before slipping to 6 per cent.

UK clearing banks' base lending rate 8¾-9 per cent (since March 8)

LONDON MONEY RATES

Mar. 9 1984	Sterling Certificate of deposit	Interbank
Overnight	—	6-9⅛
2 days notice	—	—
7 days or 7 day notice	—	9⅛-9¼
One month	9⅛-8⅞	9-9⅛
Two months	9-8⅞	9-9⅛
Three months	9-8⅞	9-9⅛
Six months	9-8⅞	9-9⅛
Nine months	9-8⅞	9⅛-9¼
One year	9⅛-9	9¼-9⅜

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits
One month	9⅛-9	—	9
Two months	9⅛-9	—	9
Three months	9⅛-9	—	9
Six months	9¼-9	—	9⅛
Nine months	9½-9⅛	—	9¼
One year	9½-9⅛	—	9¼
Two years	—	10	—
Three years	—	10⅛	—
Four years	—	10⅜	—
Five years	—	10¼	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 8 to March 6 1984 (inclusive): 9.373 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from March 1, 1984. London and Scottish Clearing Bank Rates for lending 8¾-9 per cent. London Deposit Rate for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rates of discount 8.4703 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¼ per cent; one-three months 9¼ per cent; three-six months 9¼ per cent; six-12 months 9½ per cent. Under £100,000 9 per cent from March 6. Deposits held under Series 4-5 9½ per cent. The rate for all deposits withdrawn for cash 7½ per cent.

Discount Houses Deposit and Bill Rates

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. March 9) 3 months U.S. dollars bid 10 5/16 offer 10 7/16; 6 months U.S. dollars bid 10 3/4 offer 10 3/4.

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Asian $ (closing rates in Singapore). Short-term 9 11/16-9 13/16 per cent; seven days 9¾-9⅞ per cent; one month 10-10⅛ per cent, three months 10 5/16-10 7/16 per cent; six months 10 9/16-10 11/16 per cent; one year 11-11⅛ per cent. Long-term Eurodollars two years 11½-11¾ per cent; three years 12⅛-12⅜ per cent; four years 12⅜-12⅝ per cent; five years 12½-12¾ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

REVIEW OF THE WEEK

Supply squeeze fuels zinc price upsurge

BY OUR COMMODITIES STAFF

METAL PRICES moved up strongly on the London markets this week. Star performer on the London Metal Exchange was, once again, zinc. A worsening shortage of immediately available supplies pushed cash zinc up by £45 to £727.5 a tonne, just below the 9½-year peak reached in January. The cash price premium over the three month's quotation, which gained £30.25 to £697.75, widened reflecting the growing scarcity. A further boost to the market was provided yesterday when an increase in U.S. zinc producer prices from 51 to 53 cents a lb was announced by Cominco and St Joe Resources.

Lead, which has been lagging far behind its sister metal zinc, also moved up sharply this week. Cash lead gained £24.75 to £309.5 a tonne, in spite of being hit by profit-taking yesterday. A rise in U.S. producer prices, and further fall in LME warehouse stocks, stimulated buying interest.

St Joe Minerals formally denied yesterday market rumours that it had delivery problems due to labour disputes, but made no comment on speculation that it had been buying lead to build up stocks prior to the expiration of labour contracts at its five Missouri lead mines on March 31.

A further stocks decline and the rise in gold above $400 an ounce, boosted copper. Aluminium moved up strongly too.

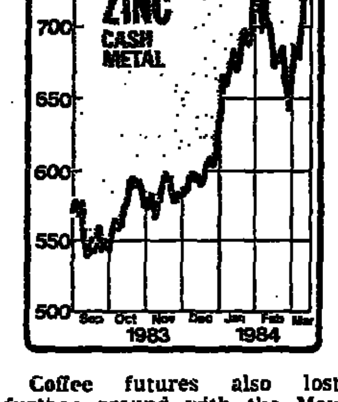
Nickel was sharply higher, with the months quotation £172 up at £3,332.5 a tonne. Trade and speculative buying was reported, encouraged by the boom in other speciality steel alloy metals, notably cobalt.

Soft commodity markets were generally somewhat weaker in quiet trading conditions.

Cocoa prices slipped back further, reflecting recent upward revisions in crop expectations, but the market rallied yesterday encouraged by reports of slow purchase returns by the Nigerian marketing board, more constructive charts, and improved hopes for the renegotiation of the International Cocoa Agreement. The EEC was reported to have reached a common position on the pact at working group level and this may enable negotiations to go ahead at the Geneva meeting scheduled for May 7-25.

The May futures position ended £18 down on the week at £1,718.50 a tonne after rising £39 yesterday.

World sugar values came under renewed pressure and the London daily sugar price reached an 11-month low of £106.50 a tonne at one stage before finishing the week £4 down at £108 a tonne.



Coffee futures also lost further ground with the May quotations ending £48.50 down at £1,933.50 a tonne. Dealers said, however, that the underlying sentiment remained fairly strong in view of the continuing shortage of supplies.

Gains were registered on the London potato futures market following a report from the Potato Marketing Board indicating a 130,000 tonnes rise in consumption in the June/January period.

BASE METALS

COPPER

ALUMINIUM

Aluminium—Morning: Three months £1,031, 32, 33, 33.50, 34, 34.50. Kerb: Three months £1,034.50, 34, 33, 32. Afternoon: Three months £1,033, 34.

NICKEL

TIN

LEAD

ZINC

SILVER

COFFEE

COCOA

GRAINS

POTATOES

RUBBER

SOYABEAN MEAL

SUGAR

INDICES

FINANCIAL TIMES

REUTERS

MOODY'S

DOW JONES

LONDON OIL

CRUDE OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per brl		
Apr.	31.02	+0.22	—
May	30.75	−0.15	—
June	30.60	−0.20	—
July	30.50	+0.10	—
Aug	30.60	−0.05	—
Sept	30.00	—	—

SPOT PRICES

		Change + or −
Iranian Light	27.70-27.75	−0.05
Arab Heavy	26.75-26.90	+0.02
North Sea (Forties)	29.90-30.10	+0.13
North Sea (Brent)	29.90-30.15	—
African (Bonny Lt)	29.80-30.00	−0.02

PRODUCTS—North West Europe ($ per tonne)

Premium gasoline	286-290	+1.5
Gas Oil	258-264	—
Heavy fuel oil	177-181	+1.5

GOLD MARKETS

Gold rose $5¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $401½-402. The metal opened at $402¾-403¼ which proved to be the high of the day and touched a low of $399½-399¾. Trading was rather quiet and featureless with the weaker afternoon trend reflecting selling after the opening of U.S. markets.

LONDON FUTURES

Month	Yest'days close	+ or −	Business Done
	$ per troy ounce		
March	400.50-01.50	—	—
April	403.50-03.90	+3.50	405.20-01.70
June	409.40-09.70	+3.20	411.00-09.50
Aug	416.30-16.70	+3.60	418.50
Oct	423.70	+3.50	—
Dec	430.10-31.00	+3.90	—

GAS OIL FUTURES

Gas oil prices began the day about $1.0 higher and moved up through the morning supported by a weaker dollar and strength in the spot month. The market stayed firm on the re-opening, but drifted lower in lack-lustre trading until the close, reports Premier Man.

Turnover: 1,488 (1,286) lots of 100 tonnes.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Mar.	255.00	+2.25	258.75-55.25
April	251.50	+1.75	252.50-50.75
May	248.50	+1.50	249.25-48.00
June	247.50	+1.75	248.25-46.75
July	247.75	+1.50	248.00-47.25
Aug	250.00	+2.00	250.00-49.75
Sept	251.50	+1.50	251.50-50.75
Oct	254.00	+0.50	256.00
Nov	256.25	+1.00	—

AMERICAN MARKETS

NEW YORK, March 9.

Precious metals suffered a predictable setback but managed to close only moderately lower on late short-covering, reports Heinold Commodities. Copper prices were sharply higher in continuation of Thursday's firm close on support from technical buying. Aluminium prices advanced slightly as trade support overcame commission house selling pressure. Sugar prices were extremely strong in a follow-up on the strong close of the previous day. Technical buying, short-covering and stop-loss buying moved sugar into new high ground. Coffee prices gave way and declined sharply on long liquidation and stop selling on rumours that Brazil would offer rebates on lower grades of coffee. Cocoa prices rallied on the lowering of the Nigerian crop estimate with renewed fears of short West African production. Heating oil prices were strong on adverse weather news and on reports that Opec would not allow any increases in quotas for the next quarter. Cotton prices were firm on commission house buying in sympathy with the grain markets. Grains and soyabeans were strong all day on active commercial interest.

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
March	70.40	—	—	70.10
April	70.90	—	—	70.60
May	71.50	71.55	70.90	71.20
July	72.66	72.50	72.15	72.30
Sept	73.75	73.25	73.25	73.45
Dec	75.40	—	—	75.15
Jan	75.95	—	—	75.70
March	77.05	—	—	75.85

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
March	965.5	1004.0	964.0	958.6
April	995.0	1002.0	995.0	1004.5
May	1002.0	1018.0	995.0	1012.0
July	1020.6	1036.0	1012.5	1029.6
Sept	1038.4	1054.0	1031.5	1047.4
Dec	1066.0	1080.0	1057.5	1075.0
Jan	1075.5	—	—	1084.2
March	1095.1	1104.0	1086.0	1103.5
May	1116.7	1122.0	1120.0	1124.8
July	1138.6	1151.0	1147.0	1146.4

SUGAR WORLD "11"

COCOA

COFFEE "C"

COTTON

CRUDE OIL (LIGHT)

GOLD

HEATING OIL

ORANGE JUICE

PLATINUM

CHICAGO

LIVE CATTLE

LIVE HOGS

MAIZE

PORK BELLIES

SOYABEANS

SOYABEAN MEAL

SOYABEAN OIL

WHEAT

SPOT PRICES

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. ♦ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

CORPORATION & COUNTY

Asian Development Bk 10pcLn 2009 £27½

Australia (Commonwealth of) 11¼pcLn

Inter-Amer Bank for Rec. Dev 11.5pcLn 2003

Ireland 12½pcLn 2003 (Reg) £106½

Malaysia 12¼pcLn 1988 (Reg) £104

Spain (Kgdm) 12pcLn 1988 (£30pd 21/3)

Sweden (Kgdm) 13.5pcLn 2010 (Reg)

CORPN COUNTY STOCKS

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R

S

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

RAILWAYS

SHIPPING

UTILITIES

WATERWORKS

PLANTATIONS

UNLISTED SECURITIES MARKET

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Continued on Page 21

Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

INTERNATIONAL COMPANIES and FINANCE

Heineken advances by 29%

By Walter Ellis in Amsterdam

HEINEKEN, the leading Dutch brewing group, which has recently concluded important new deals in France and Japan, recorded a 29.5 per cent increase in net profits last year, to Fl 198m ($67.8m).

The proposed dividend is also well up, from the 1982 payout of Fl 2.83, to Fl 3.50 per share.

Net profit per share came to Fl 10.30, against the 1982 figure of Fl 7.95. Although the earlier level of earnings was in part determined by a distribution of bonus shares.

Consolidated sales at Heineken rose by 11.7 per cent, to Fl 4.7bn.

● Delays in obtaining important new contracts in the second half of last year were the chief cause for a 46 per cent drop in earnings for 1983 by Ballast Nedam, the Dutch-based international construction group.

Net profit fell from Fl 29m in 1982 to only Fl 16.5m on turnover down Fl 42m to Fl 2.1bn.

In recent months, the group—which is owned by Arab interests and specialises in Middle East contracts—has seen its situation transformed.

A huge order has been won in Saudi Arabia for airfield instalation work, and an important potential inroad into the U.S. market is being made by way of the purchase of the Rogers Companies of Nashville, Tennessee. A recovery in sales and turnover is expected this year.

An indication of the extent of Ballast Nedam's upturn is provided by the order book, which by December 31 showed outstanding contracts valued at Fl 4.5bn, against Fl 2.9bn a year earlier.

A dividend of Fl 5.40 has been proposed—60 cents less than for 1982.

Continued on Page 3

Stora Kopparberg beats forecast with 80% leap

BY DAVID BROWN IN STOCKHOLM

STORA KOPPARBERG, the Swedish forest products group, achieved a substantial increase in its 1983 results due chiefly to better prices and higher capacity utilisation for most of its product areas.

Pre-tax profits advanced 80 per cent to SKr 516m ($67m) from SKr 286m in 1982, and exceeded the group's prediction at the eight-month point by over *SKr 100m. Profits per share* jumped from SKr 20 to SKr 35.

Operating profits rose 44 per cent to SKr 689m, while net financial costs declined SKr 20m to SKr 173m. An exceptional gain of SKr 167m from the sale *of shares lifted the pre-tax result to SKr 683m, against* SKr 254m.

A dividend of SKr 16.50, up SKr 2.50 from 1982, is proposed, as well as a four-for-one split. Sales rose 20 per cent from SKr 4.9bn to SKr 5.84bn.

Marked improvements were noted in the forestry, sawn products and pulp operations, and the group has strengthened its market shares with the aid of the 1982 devaluation of the Swedish krona.

Stora Kopparberg also announced that it would acquire a 75 per cent share of Cartiere del Garda, an Italian fine paper manufacturer, from Bertels*mann of West Germany for an unspecified sum.*

● Holmens Bruk, Europe's largest newsprint manufacturer, increased net profit by 34 per cent to SKr 262m for 1983. Adjusted turnover was ahead 10 per cent of SKr 2.98bn, of *which 72 per cent was outside* Sweden.

Demand for newsprint and other papers in the group's main market, Western Europe, ha, firmed up says company director Mr Lars Thermaenius.

Earnings per share advanced SKr 7 to SKr 32, and it is proposed to raise the dividend by SKr 2 to SKr 14 and make a *two-for-one split.*

Creditanstalt posts 11% fall at parent level

BY PATRICK BLUM IN VIENNA

CREDITANSTALT - Bankverein, Austria's largest bank, saw its profits after tax fall by 11 per cent at parent level last year, to Sch 374m ($20.8m).

The setback was attributed to the need to make greater provision for bad debts and to competition in the domestic market. Pre-tax profits fell by 6.7 per cent to Sch 940m. The bank made a provision of Sch 200m against international lending risks, bringing the total set aside on this account to over Sch 400m.

The dividend is, nevertheless, to be held at 10 per cent on capital increased by 16.7 per cent, to Sch 2.1bn from Sch 1.8bn. A further Sch 150m *increase in the bank's capital* is planned for this year, to be followed by another Sch 150m in 1985.

The bank's balance sheet grew last year by 8.6 per cent to Sch 300.9bn ($16.8bn), mostly as a result of the continued expansion of the foreign business, which accounted for 48 per cent of the total last year. Dr Hannes Androsch, the chairman says.

It has been a difficult year not only for Creditanstalt but for the Austrian banks in general. The introduction of a 7.5 per cent tax on interest on *savings deposits and bonds discouraged* savings and encouraged consumption.

At group banking level, Creditanstalt's after-tax profits showed a rise of 2. 2per cent to Sch 497m.

Downturn at Fluor in first quarter

By Our Financial Staff

FLUOR, the U.S. engineering and construction services group, yesterday reported a sharp fall in first-quarter net earnings from continuing operations to $16.4m or 21 cents a share, against $38.8m or 49 cents. Charges in the year-ago period reduced final net to $32.1m or 41 cents.

Revenues also fell, from $1.4bn to $1.1bn, and Mr J. *Robert Fluor, chairman, said* profits from engineering and construction were expected to decline this year because of the orders slowdown during the recession.

However, new orders were $1bn *in the quarter, upfrom* $443m in the comparable period.

VCR sales boost profit at Sanyo

By Terry Povey in Tokyo

SANYO ELECTRIC, one of Japan's leading consumer electronics manufacturers, has reported record group after-tax *profits of Y33.9bn* ($151.7m) for the year ended November 1983, up from Y28.7bn the previous year.

The 17.8 per cent rise in net profits, and the increase in sales to Y1,126bn from Y1,030bn, were attributable to improved margins from the *company's booming video* cassette recorder market, particularly in the U.S.. *Growth* was also strong in office automation equipment sales, while there was an improvement in net financial income.

Last year's result is a sharp turnaround from that of the previous year, when exchange losses and interest payments saw a drop of almost 10 per cent in the net profit, although sales had risen to *break through the Y1,000bn* level for the first time. The increase in earnings for the year to November 1983 were reflected in a rise in the net *profit per share from Y29.70* to Y33.08.

During the year, the company re-organised nine of its 108 consolidated subsidiaries into a single unit, Sanyo Special Equipment, to centralise office automation equipment development and sales, *which more than doubled in* the year.

For the coming year, to November 1984, Sanyo is *forecasting a 9 per cent rise* in net profits to Y37bn and sales of Y1,250bn, an increase of 11 per cent.

Wardley suffers a further sharp setback to earnings

BY ROBERT COTTRELL IN HONG KONG

WARDLEY, the wholly-owned merchant banking subsidiary of the Hongkong and Shanghai Banking Corporation, produced net profits for 1983 of *HK$74.98m (U.S.$9.6m),* less than half the HK$164.4m seen for 1982.

Wardley is Hong Kong's largest merchant bank. It lent aggressively into the local property boom, which peaked in *1980-81. The collapse in* property values during 1982 caused the parent company to cover Wardley against some of its bad loans.

Yesterday's preliminary statement does not indicate whether the Hongkong and Shanghai Bank gave additional coverage to Wardley in 1983, though analysts think this may be the case.

Wardley's 1982 net profit was *itself one-fifth lower than the* HK$201.1m reported for 1981.

Wardley may have made further provisions in 1983 against a continuing decline in *Hong Kong's property prices* and the deterioration of some *of its borrowers. Carrian, one of* its major clients, was placed in liquidation six months ago.

Mr William Purves, Wardley's chairman, says the bank's total *assets grew from HK$20.5bn to* HK$25bn over the year. Funds under management were up from U.S.$2.5bn to U.S.$3bn.

Wardley expects the recovery of Hong Kong's economy to bring increased *activity to local* stock markets

Hang Seng Bank, the publicly-quoted bank also a subsidiary of the Hongkong and Shanghai Bank, has reported net profits 7.9 per cent higher for 1983 at *HK$770m.*

Hang Seng plans a final dividend of HK$1.13, making HK$1.58 for the year, which is an effective increase of 7.9 per cent. Also a 1 for 10 scrip issue is proposed.

The parent group plans to announce its consolidated group result for 1983 on March 13.

Adsteam jumps 38% at half-year

BY MICHAEL THOMPSON-NOEL IN SYDNEY

ADELAIDE Steamship Company (Adsteam), Australia's diversified industrial investment group, saw another good profits rise in the half year to December. Net profit rose by 37.6 per cent to A$21.5m (US$20.2m).

The interim dividend has been raised from 10 to 12 cents a share, on earnings up from 22.2 to 30.6 cents.

"Provided economic sense continues to prevail, we expect another record result for the full year," said directors.

The result includes equity-accounted contributions from associated companies that include retailer David Jones (48.1 per cent owned), brewer Tooth and Company (43.2 per cent) D J Properties (48.1 per cent), and Clark Rubber (49 per cent).

David Jones's profit for the six months to January 28 was up 32 per cent at A$20.1m, while another associate H. C. Sleigh and its major food group, Petersville, lifted half year profits 7.2 per cent to A$17.5m.

● Mr Ron Brierley's Sydney-based industrial investment *company Industrial Equity saw* a 64 per cent gain in net profit in the six months to December, to A$8.2m (US$7.7m). The interim dividend has been *boosted by 25 per cent, to 5 cents* a share, on earnings of 17.7 cents a share, against 14.9 cents.

Mr Russell Goward, deputy general manager, said an even better improvement could be *expected in the full year,* including a A$5m gain from its share market raid late last year on Carlton and United Breweries.

● Bond Corporation Holdings of Perth, Mr Alan Bond's master investment vehicle, made heavy weather of the six months to December, when net profit fell *by 36.3 per cent to A$6.4m* (U.S.$6m).

The directors expressed "confidence in the overall future of the group," but negotiations aimed at acquiring a A$130m 49 per cent stake in Sulpetro, *the Canadian energy group,* have been abandoned.

Although Bond recently invested in Airship Industries, of the UK which makes commercial airships, it "proposed concentrating its efforts on major *Australian-based activities.*"

These include brewing, property, retailing and broadcasting.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX. 01-236 1833

Britannia Gp of Unit Trusts Ltd (a) (c) (g)
Salisbury Hse, 31 Finsbury Circus, London, EC2 01-588 2777. Dealing: 01-638 0478/0479
Britannia Viewpoint 01-673 0098

Crown Unit Trust Services Ltd.
Crown Life Hse, Woking GU21 1XW 04862 24933

Govett (John) Unit Mngt. Ltd.
Winchester Hse, 77, London Wall, EC2 588 5620

Legal & General (Unit Tst., Mngrs.) Ltd.
5 Rayleigh Rd, Brentwood 0277 217238

Midland Bank Group U.T. Mngrs. Ltd.
Courtwood House, Silver Street, Head. Sheffield, S1 3RD Tel: 0742 79842

Save & Prosper Group
4, Great St. Helens, London EC3P 3EP
68-73 Queen St, Edinburgh EH2 4NX
Dealings 0708-66966 or (Edin.) 031-226 7351

Touche, Remnant Unit Trust Mngt. Ltd.
Mermaid Hse, 2 Puddle Dock, EC4. 01-248 1250

Trades Union Unit Trust Managers
100, Wood Street, E.C.2. 01-628 8011

INSURANCES

LONDON STOCK EXCHANGE

MARKET REPORT

Equities close pre-Budget Account firmly with index 3.2 up at 840.9 and only 0.7 short of record high

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb 27	Mar 8	Mar 9	Mar 19
Mar 12	Mar 22	Mar 23	Apr 2
Mar 26	Apr 5	Apr 6	Apr 16

* "New-time" dealings may take place from 9.30 am two business days earlier.

UK equities rarely near record levels in front of a Budget, but yesterday was the exception in London. Leading shares edged forward throughout the session, the last of a fortnightly trading Account, and after the official close maintained their firmness on demand free of penalty for the Account starting on Monday. As a result, the FT Industrial Ordinary share index closed 3.2 up at 840.9 and only 0.7 short of the all-time peak.

Wall Street's steadier tendency overnight helped equity markets without drawing an immediate response from investors. Larger operators like the investment institutions showed a continued reluctance to enter into fresh commitments this side of the Budget, but smaller investors became more venturesome. Many apparently took the view that the Chancellor would be careful not to thwart the economic recovery by imposing too much of a strain on manufacturing industry.

Leading engineering groups, both TI and GKN are scheduled to announce trading statements next week, were high on investors' lists. Glaxo were another frontrunner on reports of successful clinical trials for its anti-ulcer drug Zantac. Strengthening hopes that the Monopolies Commission would clear Trafalgar House's bid raised P. and O. Deferred again and the firmness of these stocks four contributed to the advance in the FT 30-share index.

Financial issues welcomed an easing of Budget speculation, which recently put the sector under extreme pressure. Most Life Insurance groups staged a recovery and clearing banks ended the dividend season on a firm note. Lloyds led the way higher following preliminary profits in excess of market expectations; three of the four big banks have still not followed Barclays' move in cutting base lending rates.

Government securities, despite this week's sharp fall in U.S. bond values on Federal Budget uncertainties, remained calm. Business was inhibited by the approaching UK Budget, but demand was sufficient to reverse a slightly lower early trend and bring small mixed changes on the day. Recently out of favour index-linked issues, put up a technical rally on bear closing and settled ½ better in places.

Lloyds' pleases

Lloyds brought the clearing bank dividend season to an impressive conclusion, reporting a better-than-expected 27 per cent increase in annual profits and a 20 per cent scrip issue—bad debt provisions were left unaltered at £219m; the shares touched a new 1984 peak of 625p before closing a net 14 higher and 40 dearer on the week at 612p. Other clearers moved higher in sympathy with Barclays responding with a gain of 12 to 562p, after 568p. NatWest improved 5 to 712p, after 720p, while Midland, the only group to announce a profits contraction for the year, hardened only 2 to 412p. Elsewhere, Hire Purchases were notable for a fresh speculative flurry in First National Finance Corporation, which improved 2 to 67½p.

Despite recent bid denials from Marsh and McLennan, speculators in Hogg Robinson remained convinced that a U.S. takeover for the Lloyds Broker was imminent. Helped by good late buying, HR closed 8 up on the day and 16 higher on the week at 183p. Life Insurances were steadied by reports that recent fears about abolition of premium relief had led to bumper pre-Budget sales of life assurance policies. Legal and General moved up 6 to 490p and Prudential 10 to 452p. Pearl, however, cheapened 4 more to 764p.

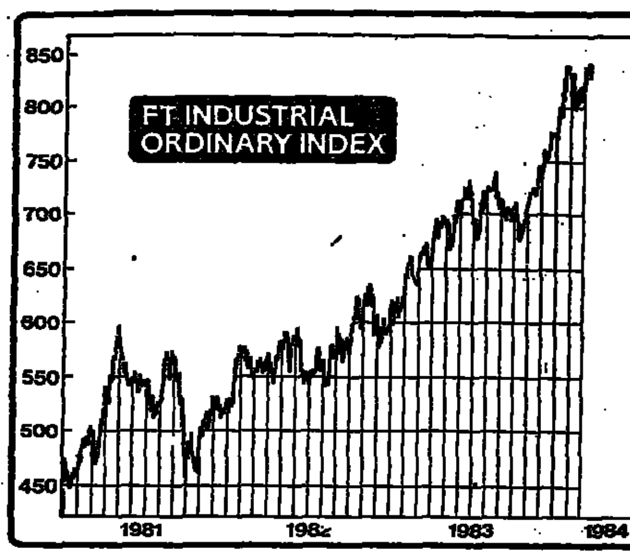
Among recently-issued equities, oil and gas exploration group Petranol advanced to 198p before closing a net 11 up at 191p; the offer-for-sale price was 125p.

Interest in the Drinks sector waned considerably with investors holding off awaiting the Chancellor's proposals. Macallan Glenlivet were an isolated firm feature, improving 10 to 740p in response to the annual results.

Leading Buildings attracted a reasonable two-day business and usually closed with small mixed movements, but Redland stood out with a gain of 7 at 277p following the reorganisation of its Cawoods subsidiary's operations. Elsewhere, John Finlan firmed 4 to 202p on news that Bermuda-based Amadeus had increased its stake in the company to 19 per cent. Leyland Paint continued to trade briskly and after easing to 20½p, picked up on "new time" buying to close unchanged at 21½p. Whatlings attracted interest and added 2 to 77p, but Phoenix Timber shed 4 to 116p on lack of support.

Grattan go better

Marks and Spencer, helped by a broker's circular, put on 4 to 240p, while British Home closed similarly better at 214p. House of Fraser, however, softened a couple of pence more to 268p on further light profit-taking in the wake of a U.S. bid denial. Elsewhere, Grattan attracted buyers ahead of next Thursday's preliminary results and closed 7 better at 75p. Freemans rose 4 to 110p and N. Brown advanced 4 to 188p. Among Shoes and Leather concerns, Stylo fell 12 to 263p following comment on the Harris Queensway bid situation.



Movements in the Electrical leaders were limited to a few pence either way. Elsewhere, Automated Security dipped 23 to 155p following a Press report of attempted share disposals; the company announced yesterday that Scantronics Ltd, in which Automated Security has a 50 per cent interest, is to be acquired by a new holding company Scantronic Holdings. Application had been made for permission to deal in the whole of ordinary share capital of Scantronic Holdings in the Unlisted Securities Market. The sharp interim profits setback prompted weakness in Breville Europe, which dipped 8 to 18p, but Systems Designers responded further to the results with a rise of 75 to 675p. Dealings resumed in Immediate Systems, at 45p, compared with the suspension price of 58p following the proposed £2.5m rights issue, profits and dividend statement. Profit-taking clipped 7 from Pressac, at 246p, but renewed support ahead of the interim results, due shortly, left Telemetrix up 15 more at 320p.

Further demand ahead of Thursday's preliminary figures left TI 10 up at 274p after 278p. GKN, due to report annual results on Wednesday, closed 3 higher at 215p, after 219p. Outside of the Engineering leaders, Haden advanced 16 to 216p on the design and management contract for a vehicle paint line at the Ford Motor plant in Minneapolis/St Paul, Minnesota. Peglar-Hattersley, in contrast, fell 12 to 262p on scattered offerings and lack of support.

Cadbury Schweppes continued to dominate Foods but the shares encountered profit-taking after Thursday's preliminary figures and slipped 4 to 132p. Rowntree Mackintosh softened a couple of pence to 246p; the annual results are due next week. Bassett opened 5 higher at 155p but reacted on Avana's decision not to increase its current bid for the company and closed a net 5 down at 145p. Barker and Dobson attracted support ahead of next Thursday's annual statement and added ¼ at a 1983-84 peak of 12p. Away from Confectionery issues, Barrow Milling shed 4 to 29p on lack of support.

Renewed buying ahead of next Tuesday's dividend announcement lifted Garfunkels 5 to 205p, but profit-taking clipped 2 from Norfolk Capital at 64p.

Glaxo advance

Most of the activity in the miscellaneous industrial leaders centred around Glaxo, which advanced to 815p before closing 20 higher at 805p, after 815p, following reports of favourable medical evidence for the company's anti-ulcer drug Zantac. News of the proposed acquisition of Roberts Consolidated Industries of the U.S. failed to stimulate Beecham, unaltered at 313p. Elsewhere, Bank Organisation up 7 at 250p, reflected a recommendation by brokers de Zoete and Bevan. Dealings resumed in BWG at 78p, up 10, following the agreed bid from Irish Distillers. Comment on the preliminary results and proposed £34.3m rights issue caused dullness in Hawley Group, down 6 at 86p, after 84p, but revived bid speculation lifted D. Macpherson 5 to 69p and prompted a rally of 4 to 100p in Gestetner A. News that Victor Technologies had agreed to sell the worldwide manufacturing and marketing rights to Sirius Computers to Applied Computer Techniques left the latter 10 dearer at 683p. Feedex responded to latest speculative demand with a rise of 6 to 32p. In contrast, reports of a Turkish/Greek naval skirmish unsettled Polly Peck, which reacted 13 to 294p; Strong and Fisher fell 10 to 165p in sympathy.

The successful bid for Associated Leisure stimulated fresh support for Pleasurama, which rose 10 to 388p. Elsewhere in the Leisure sector, Miss World Group hardened a couple of pence to 157p; Hawley Group recently increased its stake to 26.25 per cent.

A quiet Motor sector contained two contrasting Garage features. Lex Service rose 15 more to 415p as buyers continued to show interest ahead of the preliminary figures, scheduled for later this month, but Glanfield Lawrence eased 2 further for a two-day decline of 9 to 38p on further consideration of the proposed £0.7m rights issue and capital reconstruction.

After a brief one-day suspension, J. and J. Makin returned to feature Paper-Printings, rising 242 to 485p in response to the 490p per share cash bid from J. Bibby, 5 lower at 368p. Michael Page put on 10 at 145p and KLP also added 10 at 215p. Ault and Wiborg, however, became a prominent late casualty, falling 8 to 39p following Sun Chemical's withdrawal from the market now it had increased its total holding in A and W to over 80 per cent. Elsewhere, Link House jumped 20 to 475p in response to the interim results and accompanying favourable remarks about second-half prospects. Still reflecting the Board's strong rejection of Octopus Publishing's tentative £28m takeover bid, W. N. Sharpe firmed 5 more to take its rise over the week to 147 at 497p.

Anticipation of further base rate cuts caused leading Properties to close the week on a firm note. Land Securities hardened 3 more to 283p and MEPC rose 4 to 286p. Hammerson A moved up 20 to 825p, while Stock Conversion added 4 at 322p and Peachey gained 2 to a 1983-84 peak of 205p. Property Holding and Investment rose 4 to 186p and Property and Reversionary hardened 2 to 174p. Elsewhere, Stockley traded briskly and closed 5 dearer at 71p. Fresh demand lifted M. P. Kent 3 to 47p and Mountleigh 10 to 235p, the latter in a restricted market. Aquis gained 2½ to 40p, but Amalgamated Estates encountered profit-taking and shed 1½ to 14p.

P & O Deferred again dominated proceedings in Shippings, rising 10 more for a gain of 23 on the week to 298p on hopes that the Monopolies Commission will clear the Trafalgar House bid. Ocean Transport revived with an improvement of 6 to 125p, while Sterling Guarantee, reflecting its small stake in P & O, hardened 1½ to 52p.

Messina moved against the trend in South African Industrials, dipping to 300p before closing a net 20 down at 310p on the final dividend omission and annual deficit.

Lister continued firmly in Textiles, rising 5 to 64p on persistent speculative support.

Framlington gained 20 more for a two-day jump of 65 to 795p on further consideration of the excellent interim results.

Oils lower

Oils were a nervous market ahead of next week's results from LASMO, Ultramar, Royal Dutch/Shell, BP and Hamilton Oil (GB).

The leaders gave ground despite the continuing conflict between Iran and Iraq and comments by the Saudi Oil Minister that any prolonged closure of the Strait of Hormuz would lead to large increases in oil prices. Shell were finally 12 easier at 623p, while losses of around 3 were common to BP, 423p, and Tricentrol, 200p. LASMO gave up 2 to 303p, after 300p, despite persistent Press speculation of an oil discovery off the coast of Gabon. Irish issues sustained further losses. Atlantic fell 10 more to 450p, after 440p, while Eglington dipped 5 to 85p and Aran Energy 2 to 60p.

Golds at 13 mth high

South African Golds ended the week in fine form. The market opened on a firm note, reflecting a good performance by both Gold and gold shares in overnight U.S. markets and held relatively steady throughout the morning session. Modest profit-taking around midday caused a minor setback across the board but the market regained its composure in after-hours trading when U.S. support became evident. The Gold Mines index advanced 14.8 to 711.7—its best level since February 17 1983. Bullion recrossed the $400 an ounce mark in initial dealings but encountered selling pressure prior to rallying to close a net $5.5 up at $401.75.

A number of leading heavyweights moved up to 1983-84 highs, including Vaal Reefs, which rose £1½ to £95½, Buffels, around a point at £47½, and Driefontein, which edged up ⅛ to £27½.

Financials provided a host of firm features. In the South Africans De Beers were 13 better at 616p in front of the full-year results due on Tuesday, while better than expected figures from "Amgold" boosted the latter's shares £1¾ to a 1983-84 high of £89⅜. Anglo American Corporation edged up ¼ to £13½, Johnnies a point to £99 and Gold Fields of South Africa put on a half-point to £13½. London Financials made rapid progress in after-hours trading, boosted by the recent strength in base-metal prices. Gold Fields rallied strongly after losing ground for three successive trading days and moved up 17 to 607p, while Rio Tinto-Zinc added 15 at 665p, Charter 5 at 235p and Hampton Areas 2 at 230p.

Platinums moved similarly to Golds. Impala rose a further ⅛ to a new high of £11½, while Rustenburg gained 15 at 875p. Recently strong Tins encountered modest profit-taking. Hongkong Tin were 50 cheaper at 900p but retained a week's rise of 275 reflecting rumours that Malaysian interests are to inject substantial assets into the company. Gopeng gave up 15 to 430p and Ayer Hitam eased 2 to 238p.

Australians made progress in late trading. Peko-Wallsend were particularly in demand and moved up 12 to 352p while CRA added 8 to 344p. Gold Mines of Kalgoorlie rounded off a good week with a further 15 advance to 745p leaving the shares 65 higher over the five-day period.

Elsewhere Consolidated Murchison continued to surge ahead and closed a further 55 to the good at a year's high of 925p following renewed Johannesburg buying interest in a restricted market.

Traded Options finished a disappointing week on a quiet note with 2,606 contracts struck; the week's daily average amounted to a meagre 2,506.

FT-SE 100 INDEX

Close	1060.1 (+4.3)
Day's high	1060.4 (2.50 pm)
Day's low	1056.3 (9.36 am)

(Base value=1000 January 3 1984)

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (106)

BRITISH FUNDS (1)
INT. BK. & O'SEAS GOVT. STLG. ISS. (2)
FOREIGN BONDS (1)
BANKS (3)
BREWERS (1)
BUILDINGS (1)
STORES (9)
ELECTRICALS (11)
ENGINEERING (7)
FOODS (2)
INDUSTRIALS (14)
INSURANCE (2)
LEISURE (1)
MOTORS (1)
NEWSPAPERS (3)
PAPER (4)
PROPERTY (17)
SHIPPING (1)
SOUTH AFRICANS (2)
TEXTILES (2)
TRUSTS (6)
OVERSEAS TRADERS (1)
PLANTATIONS (1)
MINES (13)

NEW LOWS (9)

CANADIANS (1)
Can. Imp. Bank
STORES (1)
Wigfall (H.)
ELECTRICALS (4)
Immed. Bus. Systems, Telefusion
Multitone Elect. Do. A N-V
SHIPPING (1)
Lyle Shipping
OILS (1)
Jebsens Drilling
MINES (1)
Anglo Utd. Dev.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	28	27	49	212	167	141
Corpns. Dom. and Foreign Bonds	5	11	62	84	37	268
Industrials	294	262	857	1,418	1,476	4,174
Financial and Props.	141	58	325	627	424	1,571
Oils	20	34	67	107	155	343
Plantations	5	4	11	11	24	65
Mines	95	11	67	336	176	353
Others	90	50	58	364	320	316
Totals	678	457	1,496	3,149	2,779	7,232

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Aran Energy	60	−2	Immed Bus Systems	45	−13
Breville Europe	18	−8	Lex Service	415	+15
BP	423	−4	Lloyds Bank	612	+14
Cadbury Schweppes	132	−4	Polly Peck	294	−13
Haden	216	+16	TI	274	+10
Hawley	86	−6	UKO Int'l	126	+8

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
TI	24	264	+10	Border Brews.	14	245	−45
Lonrho	20	142	−1	Glaxo	14	785	+7
Evode	16	138	+4	ICI	14	576	—
GKN	16	212	+3	Shell Transport	14	635	+8
Beecham	15	313	−2	Hogg Robinson	13	175	−3
Racal Elect.	15	213	−9	Midland Bank	13	410	+8
UKO Intnl.	15	118	+1	Barclays Bank	12	560	+12

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
BTR	105	488	+36	BP	77	427	−13
ICI	98	576	−8	GEC	76	186	+4
Shell Transport	96	635	−7	RTZ	75	650	+6
Midland Bank	93	410	+28	Royal Insurance	74	545	+25
Glaxo	90	785	+20	BSR Intnl.	72	260	+26
Racal Elect.	81	213	+1	Lonrho	72	142	+1
Beecham	80	313	−17	Barclays Bank	71	550	+18

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri March 9 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs March 8 Index No.	Wed March 7 Index No.	Tues March 6 Index No.	Mon March 5 Index No.	Year ago (approx.) Index No.	1983-84 High	1983-84 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (205)	509.81	+0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (24)	491.10	+0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (34)	763.81	−0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (15)	1793.52	+0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Electronics (41)	1747.24	+0.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (63)	258.96	+0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (9)	205.50	+0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 Motors (17)	137.99	+1.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Other Industrial Materials (19)	667.82	+0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GROUP (196)	490.58	+0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Brewers and Distillers (23)	476.33	−0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (22)	398.42	−0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (12)	1111.58	−0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27 Health and Household Products (9)	763.71	+1.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Leisure (23)	663.66	+0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	1285.42	+0.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	236.82	−1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (47)	444.14	+0.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (19)	271.55	+0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	548.68	+0.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39 Other Consumer (8)	459.73	−0.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (83)	439.18	+0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (16)	591.81	+0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (5)	139.66	+2.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping and Transport (14)	890.55	+1.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (48)	590.93	+0.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (484)	494.15	+0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (16)	1021.76	−1.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	538.90	+0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (121)	386.25	+0.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	417.30	+1.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (9)	455.21	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (9)	478.23	+1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (9)	258.60	+0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (6)	633.74	+0.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (12)	243.43	+0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (53)	569.14	+1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Financial (18)	278.71	+0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (106)	496.88	+0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	321.40	+2.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (15)	568.48	−0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (746)	501.35	+0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Fri March 9	Day's change %	Thurs March 8	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	119.02	+0.06	118.95	—	1.96
2 5-15 years	133.26	+0.02	133.20	0.86	2.45
3 Over 15 years	142.16	+0.04	142.11	—	2.59
4 Irredeemables	155.33	—	155.33	—	2.39
5 All stocks	131.45	+0.04	131.40	0.82	2.50
6 Debentures and Loans	109.23	−0.07	109.31	—	1.61
7 Preference	82.25	+0.01	82.25	—	1.89

AVERAGE GROSS REDEMPTION YIELDS	Fri March 9	Thurs March 8	Year ago (approx.)	1983-84 Highs	1983-84 Lows
British Government					
1 Low 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Coupons 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Medium 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Coupons 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 High 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Coupons 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11 Debs & Loans 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Preference	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Electronics	30/12/83	1646.65	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

FINANCIAL TIMES STOCK INDICES

	March 9	March 8	March 7	March 6	March 5	March 2	Year ago
Government Secs.	83.14	83.16	83.35	83.31	83.23	83.12	80.78
Fixed Interest	87.14	87.12	86.97	86.81	86.91	86.81	82.43
Industrial Ord.	840.9	837.7	835.4	841.6	833.6	[illegible]	[illegible]
Gold Mines	711.7	696.9	699.8	702.6	704.7	[illegible]	[illegible]
Ord. Div. Yield	4.38	4.40	4.41	4.37	4.42	[illegible]	[illegible]
Earnings, Yld % (full)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P/E Ratio (net) (*)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total bargains	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity turnover £m.	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity bargains	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shares traded (ml)	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

10 am 839.7. 11 am 838.5. Noon 840.1. 1 pm 840.5. 2 pm 840.5. 3 pm 840.6.

Basis 100 Govt. Secs. 8/1/68. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=12.05.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.27	77.00	127.4	49.18
Fixed Int.	87.47	79.05	150.4	50.53
Ind. Ord.	841.6	598.4	841.6	49.4
Gold Mines	734.7	444.5	734.7	43.5

S.E. ACTIVITY

	March 8	March 7
Daily Gilt Edged Bargains	[illegible]	[illegible]
Equities Bargains	[illegible]	[illegible]
Value	[illegible]	[illegible]
5-day Average Gilt Edged Bargains	[illegible]	[illegible]
Equities Bargains	[illegible]	[illegible]
Value	[illegible]	[illegible]

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983, based on Thursday, March 8, 1984.

Office Equipment	+24.81	Electricals	[illegible]
Discount Houses	+21.41	500-Share Index	[illegible]
Gold Mines Index	+21.05	Industrial Group	[illegible]
Newspapers, Publishing	+17.09	All-Share Index	[illegible]
Metals and Metal Forming	+14.28	Health and H'sehold Products	[illegible]
Overseas Traders	+14.23	Consumer Group	[illegible]
Contracting, Construction	+12.18	Electronics	[illegible]
Mechanical Engineering	+12.06	Property	[illegible]
Mining Finance	+11.96	Insurance (Composite)	[illegible]
Other Industrial Materials	+10.32	Food Retailing	[illegible]
Motors	+10.16	Financial Group	[illegible]
Banks	[illegible]	Tobacco	[illegible]
Oils	[illegible]	Other Groups	[illegible]
Textiles	+9.23	Stores	[illegible]
Building Materials	+9.11	Investment Trusts	[illegible]
Capital Goods	[illegible]	Insurance Brokers	[illegible]
Packaging and Paper	+8.76	Other Consumer	[illegible]
Shipping and Transport	+8.71	Merchant Banks	[illegible]
Brewers and Distillers	[illegible]	Chemicals	[illegible]
Food Manufacturing	+7.77	Insurance (Life)	[illegible]
Leisure	+7.62		

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 5	Mar 16	June 14	June 25
Mar 19	Mar 30	June 28	July 9
Apr 2	Apr 13	July 12	July 23

For rate indications see end of Share Information Service.

Stocks traded for the call included Management Agency and Music, Bryant Holdings, Eglinton, Dutech, Johnson, Bryson, Cosalt, Emray, Barratt Developments, Dares Estates, P. & O. Deferred, Sound Diffusion, Bridon, Amalgamated Estates, Wm. Leech, A. Caird, Polly Peck, Johnson Firth Brown, Arlen, Norfolk Capital, Gestetner A, H. Ingram, H. P. Kent, Southern Resources, Mersey Docks, Allied Plant, Pict Petroleum, Phoenix Properties, Coltus Pacific and Security Tag. No puts were reported, but Fleet Holdings and Pleasurama were dealt in for the double.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or −	Net Div.	Times covered	Gross yield	P/E ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. [illegible]

مكتبة الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Lloyds Life Assurance—contd.
Gartmore Funds—Series A

American Mar 6	152.9	161.0	....	—
Australian Mar 6	110.9	116.8	....	—
British Mar 6	142.5	150.1	....	—
Commodity Mar 6	136.9	144.2	....	—
Extra Inc Mar 6	137.5	140.6	....	—
Far Eastern Mar 6	128.3	135.1	....	—
Gilt Mar 6	106.0	111.6	....	—
Global Strat Mar 6	187.2	197.1	....	—
Gold Share Mar 6	88.8	93.5	....	—
High Inc Mar 6	137.8	145.1	....	—
Income Mar 6	168.4	177.3	....	—
Japan Mar 6	178.7	188.2	....	—
Oil & Energy Mar 6	125.8	132.5	....	—
Special Sits Mar 6	149.7	157.6	....	—
UK Smlr Cos Mar 6	143.5	151.1	....	—
Man Gwt Mar 6	160.9	169.4	....	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	67.6	71.6	....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr Feb 1	65.9	71.1	....	—
MM Flexible Feb 1	56.8	59.9	....	—
Fixed Interest Feb 1	56.8	59.9	....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	115.8	—	+0.1	—
Invest. Tst. Fd. Acc.	199.6	—	+0.2	15.8
Property Fund Cap.	118.0	—	+0.1	—
Property Fund Acc.	128.4	—	+0.1	5.2
Flexible Fund Cap.	191.1	—	-0.6	—
Flexible Fund Acc.	204.6	—	-0.7	5.9
Fixed Int. Fd. Cap.	142.8	-0.2	-0.3	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		291.3	....	—
Property Fund (A)		282.9	....	—
Agricultural Fund		1,143.8	....	—
Agric. Fund (A)		1,112.5	....	—
Abbey Nat. Fund		233.0	....	—
Abbey Nat. Fd. (A)		231.9	....	—
Investment Fund		144.8	....	—
Investment Fund (A)		141.6	....	—
Equity Fund		458.2	+2.8	—
Equity Fund (A)		449.4	+2.8	—
Money Fund		222.3	+0.4	—
Money Fund (A)		218.7	+0.4	—
Actuarial Fund		226.0	....	—
Gilt-edged Fund		196.5	....	—
Gilt-Edged Fd. (A)		196.5	....	—
Retire Annuity		342.1	....	—
Immed. Annty		192.0	....	—
International Fd.		262.4	....	—
Bldg. Soc. Life Fd.		138.0	....	—

Property Growth Pensions & Annuities Ltd.

All Weather Ac. Uts	272.5	286.8	....	—
Inv. Fd Uts.		278.4	....	—
Pension Fd Uts.		262.1	....	—
Conv. Pens. Fd.		326.3	....	—
Cnv. Pns. Cap. Ut.		226.3	....	—
Man. Pens. Fd.		364.7	....	—
Man. Pens. Cap. Ut.		287.1	....	—
Prop. Pens. Fd.		289.2	....	—
Prop. Pens Cap Uts.		216.2	....	—
Bldg. Soc. Pen. Ut.		266.4	....	—
Bldg. Soc. Cap. Ut.		202.1	....	—
Gilts Pens. Fd.		177.6	....	—
Gilts Pens. Fd. Cap.		153.3	....	—
Equity Pens. Fd.		292.3	+0.6	—
Equity Pens. Fd. Cap.		252.6	+3.8	—
Intl Pens Fd		103.1	....	—
Intl Pens Fd Cap		102.2	....	—

Providence Capital Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552.

Managed	212.4	223.6	+1.1	—
Property	155.0	163.2	....	—
Equity	257.3	270.6	+2.0	—
International	200.8	211.4	+1.7	—
Fixed Interest	176.2	185.5	-0.1	—
Index Linked	95.0	100.6	+0.7	—
Cash	133.5	140.4	....	—
Pension Managed	250.2	263.4	+0.9	—
Pension Property	158.8	167.2	....	—
Pension Equity	306.8	323.0	+0.7	—
Pension Intl.	240.9	253.6	+2.6	—
Pension Fxd. Int.	186.5	196.4	....	—
Pension Index Linked	96.6	101.7	+0.7	—
Pension Cash	152.1	160.2	+0.1	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

	Series (2)			(1) Bid
Managed Fund	251.6	264.9	+0.6	252.1
Index Linked Fund	111.1	117.0	+0.3	111.8
Equity Fund	320.7	337.5	+0.7	321.3
Fixed Interest Fund	207.1	218.0	-0.4	207.5
Property Fund	219.7	231.3	....	220.3
International Fd.	188.6	198.6	+1.2	189.0
Deposit Fund	146.8	154.6	....	147.1
Int Bond Mar 7	—	—	....	£22.53

Series (2) Prices are for policies issued after 11/7/1982. Series (1) These are bid prices for earlier policies.

Individual Pension Funds

Managed	160.0	168.5	+0.1	—
Index Linked	129.2	136.0	+0.4	—
Equity	163.1	171.7	-0.5	—
Fixed Int.	172.8	181.9	-0.4	—
Property	117.2	123.4	....	—
International	158.5	166.9	+1.5	—
Deposit	116.7	122.9	....	—

*Group Pension funds—Prices available on request.

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH 01-930 5400

Maple Leaf Plans

OFFSHORE AND OVERSEAS

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Worldinvest Inc¢	$119.26	119.86	....	7.67

Valued weekly on Wednesday.

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unigilt Trust	45.4	47.2	+0.3	10.70
Unidollar Trust	$15.66	16.97	....	1.30
Unibond Trust	$92.10	95.95	....	10.7

1, Thomas St, Douglas, Isle of Man 0624 23252

Uni-Australian Tst	84.4	90.8	....	1.20
Uni-Aust. Mineral Tst.	72.3	77.8	....	1.40
Uni-Pacific Trust	194.0	208.7	....	—
Uni-International Tst	75.2	80.9	....	2.00

Bishopsgate Commodity Ser. Ltd.
P O Box 42, Douglas, I o M. 0624-23911

ARMAC- March 5	$58.85	62.57	....	—
COUNT- March 5	£3.795	4.025	....	1.30
CANRHO- March 5	2.458	2.618	....	—

Original issue *$10 and **£1. Next sub. April 2.

Bridge Management Ltd.
GPO Box 590, Hong Kong

Ntsan Fd 29 (10/3)	Y4,810	4,940	....	4.814
Nippon Fd March 7	33.32	34.81	....	0.86

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey, C.I. 0534-73114

U.S. Dollar Denominated Funds

AmSmallerCos.Fd.	$1.954	2.101	-0.02	—
Dollar Inc Fd.	$0.791	0.847	+0.02	12.00
$ Mngd Curr'cy Fd	$9.65	10.16	-0.01	6.25
First Intnl	$21.23	22.42	....	—
Gold Fund	$1.228	1.340	+0.02	3%
Jap Dollar Perf	$0.957	1.029	+0.02	—
Normandia In $Fd.	$12.03	12.94	....	—
Universal Growth Fd.	$0.937	1.008	+0.05	—
World of Leisure	$1.95	1.000	....	—
World of Tech.	$0.775	0.831	-0.02	—

*New dealing Jan 23.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1983-84 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
104⅜	100⅜	Exchequer 14pc 1984	100½	......	13.88	9.35
98¾	92½	Exch. 3pc 1984	98¾	+⅛	3.05	8.83
102	100	Treasury 12pc 1984	101½xd	–⅛	11.77	9.11
107	104	Treasury 15pc 1985	105	–⅛	14.28	9.25
107	101	Exch. 12pc Cnv. '85	102⅝xd	–⅛	11.69	9.28
94⅝	88⅝	Treasury 3pc 1985	93⅝	+⅛	3.20	8.73
102	99⅝	Treasury 11½pc 1985	102½	......	11.22	9.45
102	95	Treas 8¾pc Cnv '85	99	+⅛	8.82	9.32
104	100⅛	Exch. 12¼pc 1985	104	......	11.78	9.58
103¾	99	Exch. 11¾pc '86	103	......	11.35	9.68
102¾	97¼	Treas 10pc Cnv 1986	101¾xd	......	9.83	9.08
90¼	85⅝	Treasury 3pc 1986	88	–⅛	3.40	9.00
102	97	Exch. 10½pc Cv '86	101⅝	–⅛	10.33	9.64
104	100	Treasury 12pc '86	103½	–⅛	11.55	9.96
98¼	94⅝	Treasury 8¼pc '84-86‡‡	97¾	......	6.70	9.58
109	105	Exch. 14pc 1986	108	–⅛	12.93	10.27
87⅛	84½	Exch 2½pc 1986	85¼	–⅛	2.93	8.75
107¾	103⅝	Exch. 13¼pc 1987	107¼	–⅛	12.36	10.23
100⅞	95⅞	Treas 10¼pc Cnv '87	100½	–⅛	10.20	10.03
86⅛	80¼	Exchequer 2½pc 1987	85	–⅛	2.98	8.84
101	95⅞	Exch. 10½pc 1987	100⅞xd	–⅛	10.41	10.18
93¼	88⅛	Funding 6½pc '85-87‡‡	91¼	......	7.12	9.80
99⅝	96	Treas 10pc 1987	99	–⅛	10.07	10.22
86	80¼	Treasury 3pc 1987	82	–⅛	3.63	9.07
104	99⅞	Treas 12pc 1987	104½	......	11.48	10.45
94⅞	89⅝	Treasury 7¾pc '85-88‡‡	93⅝	......	8.28	9.75
101½	95½	Exch 10½pc '88	100	–⅛	10.47	10.39
98⅝	95	Treas 9¾pc Conv '88	98	......	9.95	10.32
82	75¼	Transport 3pc '78-88	80¼	......	3.74	8.58
96¾	90¾	Treas. 9½pc '88	96	–⅛	9.86	10.51
106¾	95¾	Treasury 11½pc 1989	103	......	11.10	10.54
		Five to Fifteen Years				
103	94¼	Treas 10½pc 1989	102½	+⅛	10.49	10.46
99¾	96⅛	Exch 10pc 1989	99⅝	+⅛	10.27	10.63
40	39	Do 10pc '89 A (£40pd)	39	......	10.23	10.56
85⅛	76	Treasury 5pc '86-89	81¼xd	......	6.10	9.20
114	103	Treasury 13pc 1990‡‡	111¼	–⅛	11.90	10.01
110⅞	100⅞	Exch. 12½pc 1990	107¼xd	–⅛	11.62	10.76
93¼	86¼	Treasury 8¼pc '87-90‡‡	92	......	9.17	10.45
67⅞	65	Treas 10pc Cv '90 (£65pd)	67⅛	......	10.26	10.53
108¼	97	Treasury 11¾pc 1991	106⅛	......	11.28	10.86
84⅛	74⅝	Funding 5¾pc '87-91‡‡	80½xd	–⅛	7.14	9.62
105⅝	95⅞	Exch. 11pc 1991	105¼	–⅛	10.88	10.78
114⅝	102	Treasury 12¾pc '92‡‡	111⅜	......	11.63	10.88
100⅝	88⅝	Treasury 10pc 1992	97⅞	+⅛	10.28	10.99
111⅛	98½	Exch. 12¼pc '92	107⅞	+⅛	11.44	10.94
[illegible]						

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. AND LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY—Continued

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

مكتبة الأصيل

INDUSTRIALS—Continued

[illegible]

ALS (Miscel.)

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—continued

Australians

[illegible]

Tins

[illegible]

Miscellaneous

1983-84 High	Low	Stock	Price	+ or –	Div. Net	Cvr	Yld Gr's
£19	£10⅛	Eastern Trans Cons 50c	£19	+1	Q85c	4.9	2.2
240	170	Hampton Areas 10p	230	+2	3.75	2.1	2.2
215	103	Highwood Res ...	190	–5	—	—	—
£24½	£17½	Kenyarake Mining $1	£24½	+¼	Q20c	—	0.6
495	275	Northgate C$1	330	+5	—	—	—
687	437	R.T.Z.	665	+15	117.0	2.9	3.6
£148½	£108	Do. 9½% Cv. Uns. Ln. '95-2000	£143	+1½	Q9½%	32.5	f6.7
190	13	Sabina Inds C$1	90	......	—	—	—
£11¼	312	Tara Expln. $1	965	+10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable: bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¥ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or –	Stock	Price	+ or –
Albany Inv. 20p	76	......	Fin. 13% 97/02.	£91½	......
Craig & Rose £1	900	......	Alliance Gas	72	......
Finlay Pkg. 5p	47	......	Arnott	213	......
Higsons Brew.	118	–2	CPI Hldgs.	22	+1
Holt (Jos) 25p	890	......	Carrol Inds.	120	......
I.O.M. Stm. £1	134	......	Hall (R. & H.)	59	......
			Heiton Hldgs.	21	......
			Irish Ropes	53	......
IRISH			Jacob (W. & R.)	57	......
Exch. 12% 1985.	£99	–¼	T.M.G.	60	......
Nat 9¾% 84/89.	£87¼	–⅛	Unidare	76	......

For Bridgewater see Property

OPTIONS

3-month Call Rates

Industrials					
Allied Lyons	15	Hawker Sidd.	38	Vickers	14
BOC Grp	27	House of Fraser	26	Woolworth Hld.	50
B.S.R.	26	I.C.I.	42		
Babcock	17	"Imps"	12	**Property**	
Barclays Bank	45	I.C.L.	7½	Brit. Land	11
Beecham	52	Ladbroke	23	Cap. Counties	16
Blue Circle	40	Legal & Gen.	45	Land Sec.	25
Boots	16	Lex Service	40	MEPC	25
Bowaters	25	Lloyds Bank	50	Peachey	17
Brit. Aerospace	20	"Lofs"	3	Samuel Props.	12
B.A.T.	15	Lucas Inds.	18	Sterling Guar.	4
Brown (J.)	3	"Mams"	14		
Burton Ord.	22	Mrks. & Spncr	20	**Oils**	
Cadburys	11	Midland Bank	36	Bristol Oil & Min.	9
Comm. Union	16	N.E.I.	10	Brit. Petroleum	35
Courtaulds	11	Nat. West. Bank	60	Burmah Oil	17
Debenhams	14	P & O Dfd.	25	Charterhall	9
Distillers	22	Plessey	20	Premier	6
Dunlop	5	Racal Elect.	19	Shell	55
F.N.F.C.	6¼	R.H.M.	8	Tricentrol	20
Gen. Accident	42	Rank Org. Ord.	24	Ultramar	60
Gen. Electric	16	Reed Intnl.	40		
Glaxo	70	Sears	8	**Mines**	
Grand Met.	30	T.I.	22	Charter Cons.	24
G.U.S. 'A'	55	Tesco	16	Cons. Gold	58
Guardian	50	Thorn EMI	55	Lonrho	12
G.K.N.	20	Trusthouse	18	Rio T. Zinc	60
Hanson Tst.	17	Turner & Newall.	10		
		Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 26

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FINANCIAL TIMES

Saturday March 10 1984

MAN IN THE NEWS

By the seat of his pants

THERE IS NOTHING a bank hates more than being accused of giving away its customers' secrets. So when precisely that charge was made against Barclays over the Mark Thatcher bank account affair this week, the cry in Britain's biggest bank was "All hands on deck."

And that meant Sir Timothy Bevan, the chairman, as well. After commissioning an inquiry and generally trying to keep order, he had to stay up late on Tuesday night personally signing and addressing 200 copies of a complaint to the Press Council about the Sunday Times which broke the story.

These were despatched post haste to MPs whose support Barclays is counting on to get through a Bill enabling it to restructure itself. "We've got 6m customers," said Sir Timothy last night, "and we have got to convince everybody

Sir Timothy Bevan

that Barclays is a watertight ship."

Fortunately, Barclays does not seem to be losing customers in disgusted droves. (Sir Timothy says he has received a *few angry letters*). But the whole affair is another instance of the uncanny knack he and Barclays have of finding themselves making news, for good or ill.

In a business where the name of the game is to make as few ripples as possible, Barclays likes to think of itself as a bit more "sporting" (Bevan's word) than the others. Barclaycard, Saturday morning opening (or more precisely re-opening), and this week a novel new formula for calculating base rate: these are the stuff of Barclays pride.

Not that Bevan himself seems the daring, unconventional type. A scion of one of the families that founded Barclays more than 200 years ago, he was shaped by Eton, the Welsh guards and a legal training before joining the bank 34 years ago.

He took over the top job at Barclays in 1981 and now, at 56 and just knighted, he runs the bank with the command of a sailor (his hobby) but also, his underlings insist, enough compassion to weld together the loyalty of his sprawling institution. "Do you realise that we employ more people than they do in either the RAF or the Navy?" he asks.

His conversation shows a touch of amusement seldom found in the marble halls of the clearing bankers. "What are you giving up for Lent," he suddenly asks in the midst of a dissertation about banking confidence. "I'm giving up chocolate. There always seems to be a reason for eating another square."

He ascribes Barclays' innovations to the way the bank is organised. "We do it around committees," he says. "There are many more meetings internally here, I think. There's much more argument and discussion."

Barclays can afford to be a bit more daring, of course. Its *profits over the years have been* among the best and Bevan says this allows it to be "more opportunistic, more seat of the pants."

The latest results out this week were not that sparkling though. The bottom line may have shown a leap of 12 per cent to a hefty £557m. But Barclays was clobbered by bad debts to the tune of an equally whopping £475m which Bevan admits is disappointing.

But as he speaks he scurries to his desk for a chart showing how the rest of them did. "Our underlying profits," he says triumphantly, "were up 30 per cent. That's better than any of them."

The Thatcher affair will doubtless blow over. But it was unnerving. Says Bevan: "People always say they hate the banks. Maybe they do. But I think they still trust us."

Securities council ready to face radical reform

BY JOHN MOORE, CITY CORRESPONDENT

THE COUNCIL for the Securities Industry will on Tuesday complete details of a new policy which could lead to a radical change of direction in its work. The move is part of the council's bid to win a leading role in the regulation of London's financial community.

Since it was set up in March 1978 by the Bank of England as an umbrella body to supervise sectional organisations in the City, the council has been subjected to considerable criticism by City professionals.

However, following recommendations for improved investor protection in the City by Prof Jim Gower, the Department of Trade and Industry's consultant research adviser on company law, the CSI is now attempting to become the main body responsible for investor protection.

In order to play a part in the regulatory structure proposed by Professor Gower, the council is considering major structural reforms of its organisation. Among ideas under consideration are:

- The appointment of a full-time chairman and of a permanent full-time director general or chief executive;
- A strengthened organisation with more permanent staff;
- A change of name for the council to reflect its new role as an investor protection body.

In his report on investor protection, Professor Gower envisaged a co-ordinating role for the council between the Department of Trade and Industry, which would be vested with wide statutory powers, and a number of self-regulatory agencies recognised by law.

In the new circumstances the council seems prepared to relinquish its wider policy formation role for City affairs in favour of a commitment to provide a body solely responsible for investor protection.

Professor Gower has said that all investment activity could be supervised directly through a number of self-regulatory agencies, representing the various forms of financial activity. These would in turn be represented on the Council for the Securities Industry.

The council has been considering the implications of the cost of an expanded self-regulatory machinery and the possible powers it will require over the financial community.

The council met in February and accepted the main conclusions. Tuesday's meeting has been called to complete details of the council's proposed role. A submission will be sent to the Secretary of State for Trade and Industry, Mr Norman Tebbit, who has invited comments on the Gower proposals by April 30.

Ulcer drug lifts Glaxo shares

BY CARLA RAPOPORT

CLINICAL trials of Zantac, the ulcer drug developed and marketed by Glaxo of the UK, *have yielded what the company* yesterday described as "very encouraging results."

News of the findings, given at a medical symposium in London, will intesify the international marketing battle for the $1.3bn (£892m) ulcer drug market. It helped push the value of Glaxo's shares up by 20p to 805p yesterday.

At the symposium, the company presented results of two trials which compared the effectiveness of Zantac with its U.S. rival Tagamet in preventing a relapse among patients who had been cured of ulcers.

Tagamet, which with sales worth about $1bn a year is the world's best selling drug, is produced by SmithKline of the U.S. *The American company* pioneered treatment in this area and dominates ulcer drug treatment throughout the world.

According to Glaxo the latest clinical studies, one in the U.S. and the other in Britain, showed that patients taking Zantac had a relapse rate of 12 to 15 per cent, while those who took Tagamet showed a relapse rate of around 30 per cent.

A Glaxo executive said the results "seem to indicate a substantial and distinctive benefit in preventing the recurrance of ulcers through the use of ranitidine (Zantac)."

If the findings are accepted by the medical community, Zantac sales should be boosted, being used for initial treatment as well as relapse prevention.

SmithKline's UK subsidiary said yesterday that the Glaxo statistics would seem to put the two products "far apart." It added, however, that it would be studying the results carefully before making a full statement.

Shares of SmithKline in the U.S. dropped $1.50 to $54⅞ in early trading in New York.

Both companies yesterday also announced trials which showed that a daily dose of their products, taken at night, was as effective as more frequent dosages during the day.

Moscow in arms deal with India

By John Elliott in New Delhi

THE Soviet Union agreed yesterday to provide India with advanced fighter jets, sophisticated army equipment and electronic surveillance for naval ships.

The deals were concluded by Marshall Dimitri Ustinov, the Soviet Defence Minister, in meetings with Indian Defence Ministry officials.

The Soviet Union is India's major arms supplier. India has been seeking more sophisticated weapons to counter U.S. arms supplies to Pakistan.

The deal also helps to fulfill India's wish to become self-reliant in defence and other high technology production by providing for the transfer of technology. This allows India to produce aircraft and other weapons.

The accord was reached *during a five-day visit to India* by Marshall Ustinov and a 55-man delegation.

There is no sign of India changing the policy it has developed of buying from eastern and western sources. It maintains a close political relationship with the Soviet Union, making maximum use of extremely soft loans, while turning to Western Europe for more sophisticated weaponry.

Nevertheless India has been angered by the U.S. supplying Pakistan with F-16 fighters which the Indian military fear because of their long range. There has also been concern expressed by India and the Soviet Union about the presence of U.S. and other fleets *in the Indian Ocean.*

Part of India's answer to the F16 are French Mirage 2000 fighters which it is buying. It is also believed to be considering purchasing aircraft with greater strike power including the MiG-29 and the MiG-31. India also makes some earlier version MiGs.

The Soviet Union has agreed to give urgent attention to Indian requests for electronic counter-measure systems for aircraft.

The concern about American and other fleets in the Indian Ocean has led the Soviet Union to agree to fit Indian ships under construction with the latest sensing systems to increase their surveillance capabilities and to develop electronic capabilities to counter what both countries agreed were growing threats.

The Indian army is to obtain an increased flow of conventional and more sophisticated equipment which the Russians have agreed to process with greater urgency.

Beecham to buy U.S. adhesives maker

BY CARLA RAPOPORT

BEECHAM, the UK consumer products and drugs group, said yesterday it plans to buy Roberts Consolidated Industries, a U.S. adhesives maker, for $85m (£58m).

The move is designed to improve Beecham's position in the sealants, adhesives and home improvement sector worldwide and to enhance further the group's profile in the U.S. where it has spent about $250m on acquisitions in the past 18 months.

Roberts, a privately-held company based in Los Angeles, had worldwide sales last year of $95m and pre-tax profits of $10.5m, compared with sales of $78m and profits of $6.6m in 1982.

Roberts supplies branded contact adhesives, carpet laying adhesives and wood preservatives.

Beecham also announced yesterday the purchase of Rubson, a small French home improvement group, for £5m earlier this year.

Just over a year ago Beecham bought DAP, the U.S. home improvement group, for $68m.

These groups, with Roberts and Beecham's UHU adhesives subsidiary, should give the UK organisation sales of about £170m a year in the home improvement and adhesive sector. This is about 9 per cent of Beecham's overall sales.

Roberts, which was founded in 1946, invented the modern carpet gripper. The group was bought by Champion International in 1970, but six years later it was subjected to a joint management and private investor buy-out.

Beecham said the company's top management will not be changed. Roberts has seven factories in the U.S. and four overseas. Its net tangible assets had a book value of about $29m at the end of last year.

The UK group intends to borrow just over $50m to help meet the cost of the acquisition. The remainder will be financed from Beecham's U.S. dollar resources.

Council workers believed to have accepted 4.5%

BY BRIAN GROOM, LABOUR STAFF

A MAJORITY of the 900,000 local authority manual workers is believed to have voted to accept a pay offer worth 4.5 per *cent — half as much again as* the 3 per cent cash limit set by the Government on public service pay.

Although ministers will be glad to get the first important negotiations in the public service pay round out of the way, such a settlement will clearly set a precedent for other groups.

It will provide a lead for 1.5m other public servants, including 500,000 whitecollar staff demanding increases of up to 25 per cent and 250,000 health ancillary workers seeking "substantial" rises.

Official figures for voting by the council manual workers have not yet been assessed, but two unions with well over half the workforce are believed to have signalled acceptance.

Details of voting among the 350,000 members of the National Union of Public Employees will be given to the union's executive today. Regional voting in the General, Municipal and Boilermakers' Union, with 265,000 council members, is not complete but a clear majority has emerged.

The decision of the Transport and General Workers Union, the third biggest with 60,000 members in this sector, is not yet known. Pay rises will be backdated to November 4, 1983.

An overall 4.5 per cent settlement would raise basic rates by between 4.1 and 5 per cent to £70.30 to £85.25. It would add £115m to the authorities' current wage bill of £2.57bn.

Mr Peter Heneage, Conservative chairman of the employers' side, said at the time the offer was made, that it was not a good settlement for either side

Nupe injunction, Page 4

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas 2½pcIL 2009	£93⅛	+ ½
Grattan	75	+ 7
Hammerson Prop A	825	+ 20
Hogg Robinson	183	+ 8
Link House	475	+ 20
Lloyds Bank	612	+ 14
Makin (J. & J.)	485	+ 242
Ocean Transport	125	+ 6
P & O Dfd	298	+ 10
Petranol New	191	+ 11
Pleasurama	388	+ 11
Rank Org	250	+ 7
Redland	277	+ 7
Stockley	71	+ 5
System Designers	670	+ 75
TI	274	+ 10
Telemetrix	320	+ 15
Cons Gold Fields	607	+ 17
Cons Murchison	925	+ 55
ERGO	736	+ 36
RTZ	665	+ 15

FALLS

Automated Security	155	− 23
Breville Europe	18	− 8
Cadbury Schweppes	132	− 4
Hawley	86	− 6
Messina	310	− 28
Polly Peck	294	− 13
Strong & Fisher	185	− 10
Stylo	263	− 12
Seltrust	57	− 5

WORLDWIDE WEATHER

UK today— cloudy, outbreaks of rain *in east spreading west later.* Rather cold.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	12	54	Corfu	F	13	55	Luxmbg.		—	—	Peking	S	4	39
Algiers	F	12	54	Dallas	C	2	36	Madeira		—	—	Perth	S	26	79
Amsdm.	S	5	41	Dublin	C	7	45	Madrid	S	11	52	Prague	C	0	32
Athens	C	10	50	Dbrvnk.		—	—	Majorca	C	9	48	Reykjvk.	C	8	46
Bahrain	S	24	75	Ednbgh.	C	7	45	Malaga	F	16	61	Rhodes	C	12	54
Barclna.	S	12	54	Faro		—	—	Malta		—	—	Rio J'o		—	—
Beirut		—	—	Florence	F	6	43	M'chstr.	C	8	46	Rome	C	12	54
Belfast	C	7	45	Frankft.	F	3	37	Melbne.	S	20	68	Salzbrg.	F	0	32
Belgrd.	F	6	43	Geneva	F	2	36	Mx. C.		—	—	S F'cisc†	C	13	55
Berlin	C	2	36	Gibraltar	F	16	61	Miami†	S	14	57	Singapr.	F	30	86
Biarritz	S	7	45	Glasgow	C	9	48	Milan	F	8	46	Santiago		—	—
Bmghm.	F	5	41	G'rnsey	C	5	41	Montrl.†	S	−22	−8	Stckhm.	S	0	32
Blackpl.	C	6	43	Helsinki	Sn	−3	27	Moscow	C	−3	27	Strasbg.	F	2	36
Bombay	S	31	88	H. Kong	C	15	59	Munich	F	0	32	Sydney	F	20	68
Bordx.	S	6	43	Innsbrk.	F	2	36	Nairobi	S	29	84	Tangier	C	17	63
Boulgn.	F	5	41	Invrnss.	C	9	48	Naples	C	10	50	Tel Aviv	C	32	90
Bristol	C	7	45	I.o.Man	C	7	45	Nassau		—	—	Tenerife	S	22	72
Brussels		—	—	Istanbul	C	7	45	Nwcstl.	C	8	46	Tokyo	C	9	48
Budpst.	F	3	37	Jersey	C	5	41	N. Delhi	S	26	79	T'ronto		—	—
Cairo	D	28	82	Jo'burg	C	22	72	N York†	Sn	−8	18	Tunis	F	14	57
Cardiff	C	6	43	L. Plms.	S	23	73	Nice	S	11	52	Valencia	S	14	57
Cape T.	S	32	90	Lisbon		—	—	Nicosia	F	18	64	Venice	S	8	46
Chicg.†	F	−15	5	Locarno	S	6	43	Oporto		—	—	Vienna	F	4	39
Cologne	C	3	37	London	C	6	43	Oslo	C	0	32	Warsaw	F	2	35
Cpnhgn.		—	—	L. Ang.†	C	13	55	Paris	F	4	39	Zurich	F	1	34

C—Cloudy. D—Duststorm. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder. † Noon GMT temperatures.

Continued from Page 1

Miners' strike

gust" at not being allowed a vote.

In the North-East miners' leaders attending the first area meeting on the NCB's closure programme for the coming financial year claimed that 2,000 jobs were to go from the area's 17 pits.

Mr David Archibald, the North-East director, said no pits would close, but 1.4m tonnes of capacity must be taken out.

Mr Sam Scott, Northumberland miners' secretary, warned after the meeting that the announcement could provoke a strike call at his executive meeting this morning.

In Scotland the NCB appeared confident that miners would attempt to work in about half the 11 pits, though this was angrily denied by the NUM. The *Ravenscraig steel complex, dependent on Polkemmet for* coking coal, may be granted exemption because of steelworkers' fears that interruption in production could lead to permanent closure.

Neither the NCB nor Ministers commented officially yesterday, and any suggestion that legal action might be initiated by the NCB against miners mounting unlawful secondary pickets was largely dismissed.

The view is that the strike will be unsuccessful in execution, and because of the large stocks of coal at power stations will exercise little pressure, though it is accepted that it could produce ugly scenes.

Continued from Page 1

Sterling falls

DM 3.775 and having been around DM 3.83 at the beginning of the week. It was unchanged on the day against the Japanese and Swiss currencies, closing at SwFr 3.12 and Y327.5.

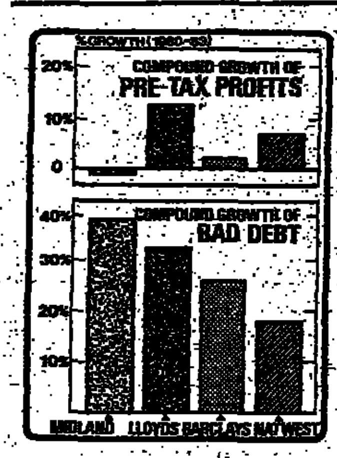
Early trading in New York was thin and erratic, many dealers not arriving because of snow storms.

The dollar closed in London at DM 2.5785 compared with Thursday's London close of DM 2.587 and its New York close of DM 2.5645. The Bank of England's trade-weighted index of its value was 125.6 against Thursday's close of 125.4.

THE LEX COLUMN

Lloyds has the last laugh

Index rose 3.2 to 840.9



An imminent Budget is normally a good excuse to do nothing and, to judge from the overall stability of the gilt-edged market this week, it might be thought that a few brokers had been taking the opportunity to cultivate their gardens. Yet the week has seen remarkably high turnover and vigorous switching business, as net funds have worried about their future tax status. Similarly, in equities, the market has been anticipating a shift in tax treatment favouring companies with a high mainstream tax liability at the expense of the bid capital spenders.

Clearing banks

The four London clearing banks *have left a few enigmas* in their trail this week. Confronted by a sequence of 1983 results which balanced strong growth in domestic banking profits against a rather more impressive jump in the overall provision against bad debts, the market has had to make up its mind which half of the story has more to say about the future. On the whole, hope has held the whip hand over experience: banking shares stand 5 per cent higher on average than they did a week ago.

Lloyds, the smallest of the four and this time the last to report, at least ended the season on an up-beat with pre-tax profits 27 per cent higher at £419m. The only competitor in this year's beauty contest which could boast an increase in after tax earnings, it also added to its recent record of scandalising the others by the size of its dividend increase.

There were two other surprising elements in Lloyds' package. In contrast to the rest of the pack, Lloyds has been able to hold its bad debt provisions to the same level—£219m—as in 1982. There may be grounds for wondering whether Lloyds has trodden a little lightly in providing against loan losses on its heavy international exposure, but the decline of nearly a quarter in total specific provisions may be encouraging pointer. And on the *domestic side, Lloyds* has succeeded in pushing up its lending—particularly to the personal sector—by an exceptional 27 per cent at the same time as improving its capital ratios. (The Midland, *with less room for manoeuvre,* was only able to increase its sterling advances by 7 per cent).

If bad debt provisions have reached a peak—something which most of the clearers claim to believe—there is a lot of room for 1984 profits to race ahead, even if nothing else in the trading mixture improves. Given a fair wind, the Midland could expect to add well over £100m at the pre-tax line. Yet there are some unhelpful influences at work, most notably continued erosion of the clearers' deposit base. And if the Budget were to contain no more than a revision of general company taxation, with no special attack on banks, the banks could easily end up paying more tax on profits which are getting no easier to earn.

Managed funds

Tackling its own crisis of identity has probably left the Council for the Securities *Industry (CSI) little enough* time so far this year to try settling another major issue in its in-tray — namely, whether investment managers should be required for disclosure purposes to pool the shareholdings of their separate discretionary accounts.

But it is now some months since apparent agreement was reached on the principle of the matter between the CSI and the major City players in this area. The proposal on the table is that all fund managers should have to disclose discretionary holdings of 15 per cent or more in any one stock regardless of ultimate ownership, thus bringing discretionary investment departments within the ambit of the Take-Over Panel's Substantial Acquisition Rules. Turning principle into practice here ought now to be a useful test of *resolve for any new-look CSI.*

The proposal has not exactly been welcomed by the Accepting Houses Committee, but some of its objections ought not to require much further delay. Computer software salesmen might be unleashed immediately on managers complaining of the administrative chore of tracking aggregate holdings. Deciding which discretionary accounts grant the manager effective control could obviously prompt several years of debate over definitions—which ought surely to be ruled irrelevant by the simple step of requiring disclosure of all holdings, however contracted.

Other objections look more substantial: the CSI will need, for example, to persuade UK merchant banks it can properly regulate foreign managers in the City. In at least two cases, though, the banks' worries invite more rather than less regulation. If aggregate holdings are to be disclosed to the world, and so to in-house corporate finance departments, then some share dealings may need at certain times to be proscribed more quickly, as happens on Wall Street. And for those afraid that the 15 per cent barrier would attract a magic significance capable of distorting the stock market, U.S. practice also suggests the answer—perhaps the CSI, like the SEC, should have notice of managed holdings at a very much lower level.

Avana/Bassett

To the student of modern takeover tactics, Avana's latest move in its bid for Bassett must look startlingly novel. It amounts to saying that since the initial offer was meant to be a fair one, the market can take it or leave it, and no haggling.

This will come as a sad disappointment to those who thrive on the normal rituals of *dawn raids, ranging shots* and last-minute revisions. To others who find this kind of thing rather confusing and unnecessary, Avana's approach may seem refreshingly direct.

With the process of offer and formal response out of the way—rather civilly, as such things go—the combatants can now retire to their dressing-rooms and await the market's verdict. And whatever the outcome, Avana has made a useful point *for future reference.* Should it engage in a takeover bid again, the market now knows what to expect.